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Gorbachev, in France, Pursues Drive for European Support

By James M. Markham
New York Times Service

PARIS — President Mikhail S. Gorbachev extended his West European diplomatic offensive to France on Tuesday and immediately sought to identify the changes he seeks in the Soviet Union with the legacy of the French Revolution.

As France is poised to celebrate the revolution's 200th anniversary, Mr. Gorbachev and his wife, Raisa, made a visit to the Place de la Bastille, the symbolic heart of the upheaval, but he was prevented from making much contact with well-wishers because of a crush of journalists and photographers.

Thousands of onlookers pressed against barricades and some shouted "Gorby! Gorby!" as they had last month in West Germany.

In the evening, at a state dinner at the Elysée Palace held by President François Mitterrand, Mr. Gorbachev declared that Soviet citizens felt entitled "to participate with full rights in your festivities" because of the historic links between the French Revolution and the Bolshevik Revolution of 1917.

"The spirit of the French Revolution has always been present in the social life of our country," he said, adding that Soviet citizens were better able today to grasp the full meaning of the French Declaration of the Rights of Man.

"For *perestroika* is also a revolution," Mr. Gorbachev continued, referring to his program of restructuring politics and economics in the Soviet Union. "I hope it will have a great destiny that will not be limited to a national context."

Mr. Gorbachev underscored the importance of his visit to Paris and to Strasbourg, where he is expected to pronounce a major speech Thursday, by going forward with the three-day trip despite the death in Moscow on Sunday of Andrei A. Gromyko, the long-serving former Soviet foreign minister. Mr. Gromyko will be buried Wednesday.

Coming after his triumphant visit to Bonn last month, the Soviet leader's visit to France is widely seen as an effort to consolidate West European economic and political support for his innovative course at home. At the same time, Mr. Gorbachev's deepening popularity in the West strengthens his delicate domestic position, according to analysts of Soviet affairs.

Mr. Gorbachev and Mr. Mitterrand conducted a broad review of the global political situation on Tuesday and, according to their spokesmen, agreed to issue a joint declaration Wednesday on the situation in Lebanon — a particular concern of the French president.

Gennadi I. Gerasimov, spokesman for the Soviet leader, said that the French president had expressed "his faith in the success of perestroika." But Hubert Védrine, the French president's spokesman, slightly modified this endorsement, saying that Mr. Mitterrand hoped for the success of the changes.

Although the focus of his Paris stay is on political exchanges with Mr. Mitterrand, with whom he will have 10 hours of talks, the Soviet leader will also have an encounter Wednesday with French students and intellectuals at the Sorbonne and hold a joint news conference with the French president.

The Sorbonne encounter, which was requested by Mr. Gorbachev, could have symbolic weight, since French intellectual life has for more than a decade been marked by piercing criticism of the Soviet Union and of totalitarian systems generally. French intellectuals were highly influenced by Alexander I. Solzhenitsyn's "Gulag Archipelago," which appeared in the West in 1973 and which is now to be published in the Soviet Union.

The Gorbachev visit, according to French and Soviet officials, will also see the signing of a score of bilateral accords that will cover such matters as the production of French high-definition television sets in the Soviet Union, the training of Soviet business managers and the opening of cultural centers in Moscow and Paris. Mr. Mitterrand and Mr. Gorbachev took time off from their talks Tuesday to look at the high-definition television.

The two sides are also expected to initial an agreement permitting the resumption of contacts between the French and the Soviet military establishments — links that were broken after the Soviet intervention in Afghanistan in 1979. In April, Defense Minister Jean-Pierre Chevènement visited the Soviet Union in the first visit by a

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The Associated Press

President Gorbachev gesturing while conferring with President Mitterrand on Tuesday in the gardens of the Elysée Palace.

Carl Doyle/The Associated Press

The tail of a MiG-23 fighter on top of a splintered house in Bellegem, Belgium, where it hit and killed an 18-year-old man.

Soviet Jet Wanders Into West

Minus Its Pilot, MiG Falls After Crossing Europe

By Paul L. Montgomery
New York Times Service

BRUSSELS — A Soviet MiG-23 fighter plane whose pilot had ejected over Poland flew across part of Western Europe on Tuesday before it crashed into a house near the France-Belgian border, killing a 19-year-old man.

The North Atlantic Treaty Organization, which is responsible for defense in the area, said that two U.S. F-15 fighters that scrambled from the Soesterberg base, in the Netherlands, had shadowed the Soviet airplane, which was apparently on automatic pilot, until it crashed.

Guy Cœme, the Belgian defense minister, said that when the American fighters saw that the pilotless Soviet jet was not armed with offensive weapons such as nuclear bombs, they let it keep on flying, hoping it would run out of fuel and crash in the English Channel.

According to Tass, the Soviet press agency, the pilot of the wayward MiG was forced to eject from his plane because of "a malfunction of the aircraft's technical system."

Tass said the pilot ejected over Poland and survived, but it gave no further details of the nature of the malfunction.

According to a NATO spokesman, the airplane, when it crossed from East Germany into Western airspace, was traveling at 400 knots (720 kilometers an hour) which made it unlikely that it could have hostile intent at such a slow speed.

The West German Air Force spokesman said it was spotted on the radar when still over Eastern Europe and was picked up definitely at Dannenberg in Lower Saxony, flying at a height of 12 kilometers (38,000 feet).

Reiner Otte, the spokesman for the Second Allied Tactical Air Wing in München-Gladbach said the pilots of the two American jets must have been surprised to see a "MiG convertible with the top off."

What he meant was that the ejectable canopy over the pilot's seat had already been blown away.

According to the official account the Soviet fighter was first spotted on the radar at 9:42 A.M. West European time and crashed less than an hour later, at 10:37.

In NATO parlance MiG-23s are called Flogger, and that apparently is how the intruder was identified in the ensuing air-defense traffic.

The airplane crashed, apparently out of fuel, in the village of Bellegem.

The man who was killed, Wim Delaere, was killed in his home while waiting for his parents to return from shopping.

Tass made this statement: "Today in one of the aviation units of the Northern Troop Group a Soviet military pilot was forced to eject from his MiG-23 while carrying out a training flight over Polish territory because of a malfunction of the aircraft's technical system. The pilot is alive.

"The plane continued its unmanned flight in a westerly direc-

See MIG, Page 2

Kremlin Trade Chief Voted Out of Office

By Esther B. Fein
New York Times Service

MOSCOW — The Soviet legislature for the first time rejected a candidate for a ministerial post on Tuesday, demonstrating in another bold precedent the intent of the legislators to be independent and critical.

Vladimir M. Kamentsev, a deputy prime minister and chairman of the State Foreign Economic Commission, was voted out of both posts, with one deputy asserting that he did not have "the moral and professional right to occupy this high position."

Mr. Kamentsev is the first person to go through the entire nomination and confirmation proceedings and be turned down in the final vote. Last week, parliamentary committees succeeded in blocking the nominations of eight top officials whose candidacies had been approved by the Communist Party. Their names were never put to a vote of the full 542-member assembly.

In that incident, the revamped legislature, or Supreme Soviet, first gave notice that it intended to scrutinize and turn down nominees. Prime Minister Nikolai I. Ryzhkov dropped the nominations of six ministers after they failed to win the approval of the committees, and two more nominees withdrew on their own.

On Monday, Defense Minister Dmitri T. Yazov faced hostile questioning and criticism by a broad range of deputies, including younger military officers, and was confirmed in his post only after a change in the voting rules was adopted. The new rules allow confirmation by a simple majority of the deputies present rather than more than half of the full membership of the legislature.

Mr. Kamentsev was rejected despite strong support from Mr. Ryzhkov, who, though visibly disappointed, said he would propose a new candidate.

As the man charged with coordinating the activities of all Soviet organizations dealing with foreign economic projects, Mr. Kamentsev was an integral and visible figure in the efforts of President Mikhail S. Gorbachev to revitalize the slumping economy by encouraging international investment.

He was a regular member of Mr. Gorbachev's entourage during trips abroad, accompanying the Soviet leader to his summit meeting in

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Rehnquist Court: Divisive Issues Are Back on Center Stage

By Al Kamen
Washington Post Service

WASHINGTON — The Supreme Court, with a strong conservative majority taking command, has ended one of the most tumultuous terms in its history, touching nearly every divisive issue in the nation — from the flag to the death penalty to abortion.

The new majority took issues that had seemed to be on their way to becoming settled matters, such as civil rights or abortion, and propelled them back to center stage, assuring years of emotional battles in Congress and the state legislatures.

The 1988-89 court term marked the true beginning of the Rehnquist court and the year the "Reagan revolution" reached the judicial branch of government.

NEWS ANALYSIS

Chief Justice William H. Rehnquist, working for the first time with a solid five-member conservative majority, began enacting many of the goals of the Reagan administration.

Abortion rights were restricted, affirmative action was scaled back, the death penalty advanced, mandatory drug testing approved, the power of police and prosecutors was expanded and Warren-era protections for suspects was whittled away.

Justice Rehnquist, a 17-year veteran of the court, was named chief justice by President Ronald Reagan in 1986.

In only three major cases might it be said that Mr. Reagan's agenda failed to carry the day — flag burning, "dial-a-porn" and religious displays.

On Tuesday, the day after the court ruled that states may enact laws restricting abortion, anti-abortion forces targeted four states where passage of limits on abortion was most likely, and began outlining legislative strategies.

Burke Balch, state legislative director for the National Right to Life Committee, said anti-abortion activists planned to take advantage of the doors opened by the recent ruling to initiate restrictive legislation in all 50 states and the District of Columbia. Four states are targeted: Pennsylvania, Louisiana, Wisconsin and

See COURT, Page 2

Exiled Activists Launch New Chinese Movement

By Edward Cody
Washington Post Service

PARIS — Two escaped leaders of China's pro-democracy movement announced Tuesday that they had formed an international exile organization to continue the fight for liberty in their homeland.

The two, Yan Jiaqi and Wuer Kaixi, issued their announcement in Paris, where Chinese sources said they have taken refuge. They called for support from Chinese organizations inside and outside the country and from "people who love freedom around the world."

"We want to devote everything to giving China new structures and installing democracy," Mr. Yan said on French television. "We swear solemnly we will never betray the Chinese martyrs."

[Chinese sources in Beijing said that China had broadened its crackdown on dissent, ordering a recall or halt of publication of books and journals by liberal intellectuals and dissident writers, United Press International reported Tuesday.

[Chinese security officials, meanwhile, confirmed to visiting Taiwan reporters that a Taiwan journalist had been arrested and was under investigation for allegedly aiding a fugitive student leader.

[The visiting journalists said they were told Tuesday by an official of the Beijing State Security Bureau of the arrest of Huang Teh-pei, 33, a reporter for the Independent Evening Post in Taipei.]

Mr. Yan, 47, former head of the Institute of Political Studies at the Chinese Academy of Social Sciences, is among seven Chinese intellectuals wanted by the Chinese government for links to the student democracy movement that was crushed in Beijing on June 4. Before the upheaval, he was said to be an adviser to Zhao Ziyang, the dismissed Communist Party leader, who was known for flexibility toward the democracy movement.

Mr. Wuer, 21, headed the Independent Student Union and played a prominent role in the massive pro-democracy demonstrations in Tiananmen Square that were violently put down by the Chinese Army. He figured on a list of 21

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Czarek Sokolowski/The Associated Press

BENCHMATES — Lech Walesa, the head of Solidarity, right, and General Wojciech Jaruzelski, the Polish leader, sitting together during the opening of parliament on Tuesday, when elected members of the trade union movement were sworn in. Page 2.

Kiosk

Reagan Taken To a Hospital

WASHINGTON (AP) — Former President Ronald Reagan was hospitalized for observation at a military hospital in Arizona on Tuesday after he fell from his horse while hunting in northern Mexico, the Secret Service and White House officials said.

In Kennebunkport, Maine, members of President George Bush's staff said they had been told that Mr. Reagan, 78, suffered no broken bones.

He was taken to the base hospital at Fort Huachuca, south of Tucson.

Gold Fields Bid

LONDON (Reuters) — Hanson PLC said Tuesday that Consolidated Gold Fields PLC agreed to be acquired by it for £3.5 billion ($5.56 billion) in cash and securities. The revised bid was worth £15.30 per share, up from a £14.30 cash offer on June 22.

General News

The PLO says the U.S. is considering a Mideast role for Palestinian Americans. Page 3.

The flag: A banner year for the American 'totem.' Page 3.

The Sandinistas resemble a secret society. Page 5.

Crossword Page 5.

Champs-Elysées Moon Walk: Boogie Band for Bastille Day

By Jeffrey Schmalz
New York Times Service

TALLAHASSEE, Florida — The Florida A & M University band calls itself the Marching 100, but it isn't. It has 250 members, not 100.

And they don't march. They boogie.

The moon walk, the California worm, the funky chicken, the mashed potato, the Alf — these are the steps that move their ranks down the avenue. And on July 14 the avenue will be the Champs-Elysées in Paris.

From among thousands of choices, the Marching 100 of Florida A & M, a predominantly black school of 6,500 students, was the band picked by the French government to represent the United States in the grand parade marking the bicentennial of the French Revolution.

"They illustrate American music to me, which is to say the best of black music," said the artistic director of the parade, Jean-Paul Goude.

No John Philip Sousa for this marching band. The March King has given way to the godfather of soul. What Parisians, and by satellite transmission much of the world, will hear on July 14 is the sound of James Brown — "Papa's Got a Brand New Bag," "I Feel Good," "Living in America," "Mother Popcorn."

It makes for a surreal mix.

One minute the band, in green-and-orange uniforms, is the epitome of precision: When instruments are held at a 45-degree angle, marchers' legs are bent accordingly.

The next minute, band members get down, chanting: "Baby! Baby! Bay-BEE! Baby! Baby! Bay-BEE!"

Mr. Goude asked that the band, whose $500,000 in expenses is being paid by the French government, restrict its Paris performance to James Brown.

The request was entirely consistent with the group's repertoire. Now and then an "1812 Overture" or a march like "Storm and Sunshine" creeps in, but for the most part the band leans toward pop.

How the Marching 100 came to be regarded as one of the best U.S. bands in terms of both music and drill routine is the story of its director of 44 years, Dr. William P. Foster, who is known to his charges as The Law.

It was he who built the band up from 45 members; he called it the Marching 100 because he dreamed of reaching that number one day. And it was he who broke out of the traditional mold of marching music while at the same time demanding musical excellence.

The resulting group is a superstar.

Among the first to cast off the traditional routines, it is perhaps the most imitated of marching bands.

It has played at the Super Bowl, starred in commercials, recorded albums, been the subject of a television profile and captured just about every major band competition.

"There's a psychology to running a band," Mr. Foster said. "People want to hear the songs they hear on the radio. It gives them an immediate relationship with you. And then there's the energy. Lots of energy in playing and marching. Dazzle them with it: energy."

More than 500 high school seniors from throughout the United States audition for spots in the band each year but only 85 to 100 are accepted.

Just as other schools offer scholarships to top athletes, Florida A & M offers them to top musicians as well, drawing on money raised by the band's performances.

Many Marching 100 alumni go on to become professional performers, band

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Shamir Plan For Election Faces Revolt

By Joel Brinkley
New York Times Service

JERUSALEM — Prime Minister Yitzhak Shamir is likely to face a brutal political battle on Wednesday that could endanger not only Israel's plan for Palestinian elections but also his own standing as the nation's leader.

Although the election plan has cabinet and parliamentary approval, Mr. Shamir's own party, the Likud, is in open, angry revolt over the proposal.

Mr. Shamir's opponents, led by Trade and Industry Minister Ariel Sharon, have convened a meeting of the Likud's central committee for Wednesday evening, during which they will try to attach riders to the initiative that many here believe are designed to kill it.

While many Likud opponents contend that they are simply trying to improve the plan, Mr. Sharon does not try to hide his intentions.

"I will try to bring about a decision that would erase the entire program, because it's the most dangerous of all the plans the government has ever formulated in the last 40 years," he said Tuesday.

In theory, Mr. Sharon and the other opponents — Deputy Prime Minister David Levy and Economics Minister Yizhak Modai — lead party factions large enough, when

See ISRAEL, Page 2

Solidarity's Elected Members Are Sworn Into Parliament

By Henry Kamm
New York Times Service

WARSAW — Solidarity, outlawed for eight years until last April, jubilantly entered parliament Tuesday as the first freely elected opposition party to do so in a Communist country.

As the lower house opened its session at noon, Lech Walesa, leader of the independent trade union, sat in the place of honor of Poland's newest political institution: the opposition front bench.

Across the semicircle of 460 tiered seats, on the Communist front bench, sat General Wojciech Jaruzelski, the party leader who imposed martial law to crush the movement Mr. Walesa founded and jailed him and his colleagues.

The two ignored each other during nearly three hours of opening procedures. Stolid and unsmiling, the general barely spoke to those around him; occasionally he applauded politely. His Nobel prize-winning adversary, enjoying every moment, conversed animatedly throughout the formalities with Solidarity's parliamentary leader, Bronislaw Geremek. From time to time Mr. Walesa joked with those behind him.

But in the afternoon, when the newly created Senate assembled, General Jaruzelski and Mr. Walesa sat together as guests of honor, smiling and chatting for a moment before proceedings began.

The Senate offered no Communist bench to accommodate General Jaruzelski, because Solidarity swept 99 of 100 contests in June's general elections, in which neither he nor Mr. Walesa ran.

Many who did — among them Prime Minister Mieczyslaw Rakowski, Interior Minister Czeslaw Kiszczak, Defense Minister Florian Siwicki, Alfred Miodowicz, the official trade-union chief, and several other Politburo members — watched from the visitors' gallery.

In the landslide, the union movement won, in addition to 99 Senate seats, all 161 seats in the lower house it was allowed to contest under the "roundtable" agreement reached with the Communist Party in April.

More than half the voters also crossed out 34 of the 35 unopposed candidates on the "national list," denying them simple majorities required for election.

Elevated to the status of opposition deputies were such prominent former political prisoners as Jacek Kuron, Adam Michnik, Janusz Onyszkiewicz and Mr. Geremek.

In the Senate, Solidarity leaders honored by the presence of their former jailers as they were sworn in included Bogdan Lis, Karol Modzelewski and Jan Jozef Lipski. Andrzej Wajda, the film and stage director, also took the oath of office.

In a session devoted to such formalities as the election of officers, the two most combative Solidarity leaders served notice that they would remain pugnacious in their new positions.

Mr. Michnik, who took his oath in jeans and an open-necked shirt, challenged the lower house Communist majority when it presented only one candidate for the post of marshal, the officer who presides over sessions.

"Let's have elections here and not just voting," Mr. Michnik said in his first appearance at the speaker's rostrum. His demand was ignored and the single nominee, Mikolaj Kozakiewicz, was chosen.

Although the roundtable agreement generally safeguards Communist control until fully free elections in 1993, the Senate will exercise a right of veto over the decisions of the lower house.

It can be overridden by two-thirds, or 306 votes, of the 460-member chamber. The Communists and their coalition partners hold 299 seats.

While the new legislature has been installed, doubt persists over the first major act it has to perform, the election by both houses of a new, more powerful president. General Jaruzelski asked last week that General Kiszczak be elected as his successor. The Communist Central Committee urged General Jaruzelski to reconsider.

■ Jaruzelski Undecided

General Jaruzelski said Tuesday that he had not yet decided whether to run for president, Reuters reported from Warsaw.

Muslims in Beirut Open Divided City's Crossings

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Syrian troops and their Lebanese Muslim militia allies reopened crossing points with Christian areas on Tuesday after a four-month closing, but tightened a sea blockade to prevent weapons from reaching Christian forces.

A promise to reopen Beirut's airport, situated in a Muslim part of the city, was delayed because of what was described as technical and political difficulties.

Announcing the decision to open the crossings, Nabih Berri, leader of the Shiite Amal militia, said it was a goodwill gesture to an Arab committee seeking to end Lebanon's 14 years of civil war.

Making the announcement in Damascus after talks with Syrian officials and heads of other Lebanese militia groups, Mr. Berri said all crossings linking the Christian enclave with Muslim areas would be reopened at noon Tuesday, along with the airport.

But he declared that the blockade of Christian seaports would continue to stop arms from reaching the mainly Christian forces of Major General Michel Aoun.

He said ending the sea blockade would depend on General Aoun's suspending the Christian embargo against harbors operated by Muslim militias and allowing a team of Arab observers to inspect all outlets on the coastline to ensure that weapons were not reaching the warring factions.

Lakhdar Ibrahimi, assistant secretary-general of the 22-member Arab League, is expected in Beirut in a day or two to hold talks on the formation of a body to establish a durable cease-fire and deploy observers at seaports.

Mr. Ibrahimi traveled to Damascus and Baghdad last weekend with the foreign ministers of Saudi Arabia, Algeria and Morocco. The ministers have been delegated to enlist Syrian and Iraqi cooperation in easing tensions in Lebanon.

An Arab summit conference chose King Fahd of Saudi Arabia, King Hassan II of Morocco and President Chadli Bendjedid of Algeria to bring peace to Lebanon.

A Syrian-Iraqi feud is complicating the situation. Syria, with 40,000 soldiers controlling two-thirds of Lebanon, has said it is determined to stop Iraq from sending weapons to General Aoun's 15,000-man army. The general has vowed to drive out the Syrians.

Last March, he imposed a blockade against seaports south of Beirut run by Muslim militias. The militias and their Syrian backers retaliated by cutting off all land links with the Christian enclave and kept Christian harbors under attack.

The confrontation soon escalated into artillery bombardment that killed 380 people and wounded 1,500, prompting the Arab League's peace mission.

General Aoun was unimpressed by the Muslim reopening of the crossing points. He summoned the ambassadors of the five permanent members of the United Nations Security Council Tuesday and complained that the Syrian Navy had been intercepting ships in Lebanese territorial waters. He also protested to the United Nations and the Arab League.

The general, who heads a cabinet of Christian army officers vying for power with the Muslims, warned that the Syrian action would have serious consequences.

Ali Mohammed/The Associated Press

Lebanese soldiers removing barricades between Christian and Moslem sectors in Beirut on Tuesday.

CHINA: *Exiles Launch Movement*

(Continued from Page 1)

student leaders accused afterward of counterrevolutionary rebellion for their part in the uprising.

Although both men were said to be in Paris, it was unclear when they arrived or how long they planned to remain in France. French officials declined comment.

Apparently fearing official Chinese retribution, the two exiles declined to reveal their whereabouts or travel plans. Some reports said that they were likely to go on to the United States.

The European Community resolved at a summit meeting last week in Madrid to extend residence visas to Chinese students and other exiles unable to return to their country because of the Beijing government's repression. Under that decision, the two could remain in France if they chose.

Mr. Wuer said that he, on behalf of his student group, and Mr. Yan, on behalf of the Beijing Intellectuals Association, met from June 27 through Monday, laying plans for an international conference designed to form a worldwide front to promote democracy in China.

Neither man gave a detailed plan for how the organization should proceed, how it would be funded or whether it would promote dissidence and subversion within China. But in their communiqué, they praised the May student uprising for remaining nonviolent and vowed never to resort to terrorism.

"Chinese people around the world, whether on the left, in the center or on the right, should unite under the banner of liberty, democracy, justice and human rights," they said.

They also urged that the Chinese pro-democracy demonstrators receive next year's Nobel Peace Prize and said that June 4 should became an annual day of remembrance and mourning for those who died.

The crushing of the activists, they said, was "not just a crime against China's students and people, but also a challenge to the basic principles of life and all humanity."

■ Reporter Arrested

Mr. Huang, the Taiwan reporter arrested in China, was surrounded by security agents Monday and bundled into a car outside a hotel after he reportedly met with Wang Dan, 20, one of the top leaders of the student movement, UPI reported from Beijing.

Mr. Wang is now a fugitive on a government "most-wanted" list. There was no word on his fate.

The journalists visiting from Taiwan said the director of the external department of the Beijing State Security Bureau, Guang Ping, told them that Mr. Huang was charged with "harboring or aiding a wanted suspect" and was arrested under martial law restrictions.

The restrictions on books, meanwhile, were issued Monday in a circular from the Press and Publications Administration, a national agency under the State Council, China's cabinet, according to sources in Chinese journalism and the publishing industry.

ISRAEL: *Shamir Faces Battle on Palestinian Voting*

(Continued from Page 1)

combined, to outvote Mr. Shamir and his followers.

Several weeks ago, Mr. Shamir said he would resign if that were to occur.

"I cannot continue in my job if I don't feel that the movement I represent in the government supports me and stands behind me," he said in May. He has not repeated the pledge since, but his aides say that he has not retracted it either, publicly or in private.

Few people expect the committee members to vote strictly by bloc, and Mr. Shamir's staff was predicting a narrow victory. Still, if only about 55 percent of his party supports him, Mr. Shamir's aides and others conceded that his political initiative would be in trouble.

"A showdown is divisive, and even if you win there can be bad blood," Avi Pazner, Mr. Shamir's media advisor, said Tuesday.

On Tuesday night, Ehud Olmert, one of Mr. Shamir's closest political advisers, told Israeli radio that he was afraid the prime minister would lose the vote.

Another senior aide said, "This program is already a long shot, and we don't need our own party against us, too."

The plan, first suggested by Defense Minister Yitzhak Rabin and formally proposed by Mr. Shamir in March, would allow Palestinians in the Israeli-occupied West Bank and Gaza Strip to elect representatives who would conduct peace talks with Israel. The United States openly supports the proposal and is pushing it as the only active Mideast peace initiative.

An opinion poll published Tuesday in the daily newspaper Maariv surveyed 1,186 Jewish adults during the past two weeks and found that 60 percent approve of the election proposal while 40 percent oppose it. But among rightist voters, only 45 are in favor while 55 percent oppose it.

Paradoxically, the poll shows what many believed: Mr. Shamir's strongest support comes from members of the Labor Party and the political left, the same situation Prime Minister Menachem Begin found himself in when he was negotiating the Camp David agreements 10 years ago. At that time, Mr. Shamir was against Mr. Begin.

It is another paradox that, while many U.S. Jews and others believe that Mr. Shamir does not really believe in his initiative, and is promoting it only because of international pressure, his Likud colleagues believe he is deadly serious, as he and his aides have maintained.

Likud opponents want to add four amendments: that no elections will be held until Israel ends the Palestinian uprising, that Arab residents of East Jerusalem will not be allowed to vote, that territorial compromise will not be considered and that settlements will continue to be built in the West Bank and Gaza.

Mr. Shamir agrees with all of those points and says he will negotiate accordingly, if given the opportunity. But the plan itself contains no preconditions. Mr. Shamir and most of the others involved believe that the Palestinians will never agree to enter negotiations with official conditions like these.

Mr. Shamir is to address the party conference first Wednesday night and is expected to warmly endorse the goals of his opponents while also asking them not to try to attach them to the government plan. The Likud central committee actually has no power to attach anything to the plan, but if opponents win the vote it will be hard for Mr. Shamir to refuse them.

6 Louisville Children Killed

The Associated Press

LOUISVILLE, Kentucky — A fire early Tuesday killed six young cousins left alone here in a house, fire officials said.

VISIT: *Gorbachev Has Paris Talks*

(Continued from Page 1)

French defense minister in 12 years.

Since Mr. Gorbachev's first visit to Paris in October 1985, relations between the two countries have steadily mended. After his election in 1981, Mr. Mitterrand made vigilance the hallmark of his attitude toward Moscow, but, lately, he has become much more receptive to Soviet disarmament initiatives.

Opinion polls suggest that Mr. Gorbachev is extremely well-liked in France, where two out of three asked have a positive opinion of him, but the same polls suggest that the French are much more skeptical than West Germans about his chances of success. Writing recently in Le Monde, Michel Tatu observed that the French were Gorbophiles, not Gorbomaniacs like the West Germans.

France lags behind other West European countries, notably West Germany and Italy, in doing business with the Soviet Union, and the trade balance is heavily in Moscow's favor because of energy imports from the Soviet Union.

French businessmen hope that the Gorbachev visit will give a fillip to new contracts, including an oil exploration accord for Elf Aquitaine near the Caspian Sea.

SOVIET: *Official Rejected*

(Continued from Page 1)

the United States and on his recent visit to Britain.

His defeat was viewed as somewhat of a rebuke for Mr. Gorbachev, who promoted him to the job and presumably supported his nomination. Mr. Gorbachev, who began a visit to France on Tuesday, was not present during the vote.

The Supreme Soviet first voted on Mr. Kamentsev last week, after a debate in which he was accused of squandering the country's raw materials and natural assets in foreign sales during his two-year tenure directing Soviet foreign trade.

In the earlier vote, with many deputies absent, Mr. Kamentsev failed to win a majority of the Supreme Soviet membership, thus forcing the new ballot. On Tuesday, he received just 200 votes from the 419 deputies who cast their ballots at the session, with 172 members voting against him, 47 abstaining and 19 of those present choosing not to vote at all.

Had the new rule been in place last week, Mr. Kamentsev would have had sufficient support of those present to be kept in office.

■ Uzbekistan Curfew Eased

The Soviet authorities have lifted curfew restrictions in much of the republic of Uzbekistan, where ethnic violence killed at least 99 people last month, Reuters reported from Moscow on Tuesday, quoting the official Tass news agency.

Tass said the curfew was abolished in most of the region's settlements and shortened by an hour in the towns of Fergana, Margilan, Kokand and Kuvasai, where Uzbeks attacked Meskhetians, a Turkic ethnic minority, in 10 days of clashes last month.

The commander of troops sent in to restore order said that the forces would be withdrawn and the curfew lifted completely only when all those involved had been detained.

COURT: *Divisive Issues*

(Continued from Page 1)

Minnesota. Abortion rights forces promised to wage an all-out war with state capitols as the battlegrounds, and promised that politicians favoring abortion restrictions would be their casualties. They plan to use advertizing blitzes that dwarf those of presidential campaigns.

The court ruling Monday limited the constitutional right to abortion that it established in 1973, ruling in Webster v. Reproductive Health Services that states may impose substantial restrictions on the availability of abortion.

The court term produced an extraordinary number of important rulings, conservatives and liberals agreed Tuesday.

"For one term, this court has produced a more dramatic change in the fighting issues of the day than in any other in the history of the court," said the conservative court analyst Bruce Fein.

The justices, with the exception of some First Amendment cases — most notably the flag burning case — produced a "massive undermining of an entire approach" to civil rights and civil liberties, said Laurence H. Tribe, a liberal Harvard Law School professor. He said this was capped by the court's "extraordinary and unprecedented overruling of a fundamental right" in the Missouri abortion case.

The single most important reason for the court's new receptivity to the conservative social agenda was the ascension of Justice Anthony M. Kennedy to replace Justice Lewis F. Powell Jr.

Justice Kennedy, completing his first full term, showed himself as solid a conservative as Mr. Reagan or any of former Judge Robert H. Bork's supporters could have hoped him to be, voting in virtual lockstep with Justice Rehnquist in every major area, including criminal law, civil rights, abortion and separation of church and state.

Justice Kennedy wrote two of the most important rulings of the term, upholding mandatory drug testing and limiting the scope of an important civil rights law. This is considered unusual for a justice in his first term.

Justice Powell, a moderate conservative and long the pivotal vote on the court, voted with the conservative wing 81 percent of the time during the 1986-87 term, his last on the court. Justice Kennedy, in contrast, voted with the chief justice 92 percent of the time.

More important, in the 33 most divisive cases, where the court divided 5 to 4, Justice Kennedy voted with the liberals in only two, and both times had the conservative Justice Antonin Scalia with him. Justice Powell, in 42 one-vote rulings, sided with the liberals 11 times.

Justice Powell often gave liberals the decisive vote in cases involving abortion, civil rights, civil liberties, the death penalty or separation of church and state. Justice Kennedy's vote has been consistently conservative on those issues.

As a result, Justice Sandra Day O'Connor, who is generally more conservative than Justice Powell, has emerged as the pivotal vote on the court in cases involving emotional social issues.

This term she has consistently sided with fellow conservatives. While she agreed with Justice Rehnquist about 83 percent of the time in the last two terms, this year she cast her vote with him 88 percent of the time, dashing liberal hopes that she might be an effective brake on a strong conservative drift.

Justice O'Connor sided with conservatives in all the civil rights rulings, making it more difficult for minorities to prove discrimination, and she wrote the decision in the Richmond case that dramatically limited affirmative action programs.

She was seen by both sides as the only possible vote for the liberals in cases involving the constitutionality of the death penalty for killers who are retarded or were under 18 at the time of the crime.

In both cases she upheld the authority of states to execute, provided they take factors such as youth and retardation into account in their sentencing.

Justice O'Connor, barring any retirements from the three pro-choice octogenarians, now holds the key to whatever constitutional right to abortion exists after Monday's ruling.

The court has, in effect, adopted Justice O'Connor's standard on abortion that would allow states to regulate access except where those regulations create an "undue burden" on that access.

The court agreed to hear three abortion cases next term, two involving parental notification laws for minors and a third involving regulations on abortion clinics.

BAND: *A Boogie in Paris*

(Continued from Page 1)

directors and music teachers. Its most famous alumnus was the jazz alto and soprano saxophonist Julian (Cannonball) Adderley.

What distinguishes the Marching 100 is a crisp, tight, driving sound that seems in absolute control — the musical equivalent of a car that can accelerate rapidly and then stop on a dime.

Fellow band members call their drummers "the Z-28s," after the high-powered Chevrolet; trumpeters are "the screamin' demons," trombone players "the sounds of thunder."

Much of the choreography is done by the students, who copy the latest dance fads and use bumps and grinds that would have made Elvis Presley look like a shrinking violet.

Founded as a black agricultural and mechanical college 101 years ago, the university has achieved fame through its football team as well as its band.

But the band is clearly A & M's pride and joy.

MIG: *Soviet Jet Wanders Into West*

(Continued from Page 1)

tion and fell on Belgian territory. The Soviet side is in the process of contacting the states through whose airspace the plane flew."

The incident came at an awkward time in the East-West debate over disarmament because the Soviet fighter was capable of carrying nuclear weapons.

Both NATO and the Warsaw Pact have said separately that nuclear weapons are necessary for the defenses of their territories, while environmental activists and peace movements have expressed worry about accidents.

President Mikhail S. Gorbachev is visiting France, and President George Bush will begin a tour of Poland, Hungary, France and the Netherlands this week.

The airplane involved in the incident was one of the series of MiG-23 models first introduced in 1967.

There are more than a dozen models, but in general they have a top speed of Mach 1.2 (1,472 kilometers an hour), a cruising altitude of 11,000 meters and a range of 850 kilometers with its four air-to-air missiles, and 1,126 kilometers with an additional fuel tank.

About 150 people were evacuated from homes near the crash site because of the risk of more explosions after the initial blast when it crashed. Also, it was unclear whether the MiG might be armed with toxic chemicals, Olivier Vanneste, the Belgian regional governor, said to reporters.

Exodus of Soviet Jews Exceeds Total of 1988

The Associated Press

GENEVA — Nearly 4,000 Jews left the Soviet Union last month, an increase that already makes the exodus this year bigger than in all of 1988, a resettlement agency said here Tuesday.

A total of 20,162 Soviet Jews has emigrated this year, the Intergovernmental Committee for Migration said. Most are bound for the United States. That figure compares with a 1988 total of 20,082, the highest since 1980.

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WORLD BRIEFS

Colombia Drug Area Governor Slain

MEDELLIN, Colombia (AFP) — A remote-controlled bomb exploded here Tuesday, killing the governor of Antioquia Province, who has been an outspoken critic of Colombian drug cartels, and at least four other persons, the police said.

Witnesses reported seeing the remains of at least eight persons. The police said the four other known victims were three of Governor Antonio Roldan Betancur's bodyguards in his car and the driver of another car.

"Governor Roldan Betancur's car was reduced to a heap of smoking, twisted, metal," a police officer said.

ASEAN Dubious on Cambodia Talks

BANDAR SERI BEGAWAN, Brunei (AFP) — Foreign Ministers of the Association of South East Asian Nations ended a two-day annual meeting here Tuesday and emphasized in a final communiqué the need for "a comprehensive political settlement" in the Cambodian conflict.

A working paper on the forthcoming International Conference on Cambodia in Paris expressed "serious misgivings" about its possible outcome and urged that any decisions be taken by unanimous vote rather than by consensus.

This means in effect that ASEAN, which groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, has rejected the possibility that the Paris conference be restricted to achieving a partial solution on Cambodia with talks limited to finding an International Control Mechanism to monitor Vietnam's pullout.

Soviet Submarine Radiation Found

OSLO (AP) — A Soviet nuclear submarine that caught fire last week off Norway leaked small amounts of radiation that indicate that its reactor came close to a meltdown, Norwegian scientists said Tuesday.

They said traces of radioactive Iodine 131 were found in a water sample taken two days after the June 26 fire aboard the Echo II class vessel 120 kilometers (70 miles) off Norway's northern coast. A spokesman said the material was diluted by seawater was expected to disappear quickly. All other air and water tests showed no radiation, he said.

Initially, Moscow dismissed the possibility of radiation leaks from the damaged vessel and said none of the crew had been injured. But the Soviet press agency Tass said Monday that four sailors were hospitalized for treatment or radiation injuries and 15 were undergoing "preventative medical tests."

African-American Priest Suspended

WASHINGTON (AP) — Cardinal James A. Hickey has suspended the black priest who established an unauthorized African-American Catholic congregation, a spokesman for the Washington archdiocese said Tuesday.

The Reverend George A. Stallings Jr. was notified by registered letter of Archbishop Hickey's decision. Father Stallings is forbidden to preach, celebrate Mass or administer the sacraments.

Father Stallings, in defiance of authorities, celebrated a ceremony Sunday at his Imani Temple, in the chapel of a Washington law school. He said he formed the congregation because the Catholic Church was not responsive to the cultural and spiritual needs of black parishioners. The ceremony was attended by about 500 people and included traditional prayers and liturgy, along with elements borrowed from African and Southern black revival traditions. Black representatives of other faiths, including Baptists and Muslims, attended to show support.

Palme Defendant Refuses Questions

STOCKHOLM (AP) — The man accused of killing Prime Minister Olof Palme refused to answer further questions in court Tuesday, accusing the prosecutors of unfairly trying to convict him.

"It does not matter what questions you ask, so I will not answer your questions," said the defendant, Carl Gustav Christer Pettersson, 42.

Mr. Pettersson has denied killing Mr. Palme, a four-term prime minister who dominated Swedish politics for more than a decade until he was shot to death on Feb. 28, 1986.

Howe Asks Assurances From China

HONG KONG (AP) — Foreign Secretary Sir Geoffrey Howe of Britain said Tuesday that China would have to take a series of actions to restore Hong Kong's confidence after the brutal crackdown on the pro-democracy movement in Beijing.

Concluding a three-day fact-finding visit, he also urged the United States and other nations to refrain from hurting China with further economic sanctions, which he said would damage Hong Kong.

Britain has refused to consider offering refuge to the 5.7 million citizens of Hong Kong, who are scheduled to fall under Chinese rule in 1997. Political activists said Tuesday that meetings with the foreign secretary achieved nothing.

Bomb Kills 10 in Peshawar Market

PESHAWAR, Pakistan (UPI) — At least 10 persons were killed and 22 injured Tuesday when a bomb exploded on a bus passing through a crowded market here, officials said.

Officials would not speculate on who may have been responsible, but other bomb blasts in the city in recent years have been attributed to agents of the Communist government in Afghanistan who seek to punish Pakistan for its support for Afghan rebels. Peshawar is located a few miles from the Afghan frontier and is home to leaders of the Afghan resistance and thousands of refugees from the civil war.

The explosion occurred as Prime Minister Benazir Bhutto was starting a diplomatic campaign for a negotiated settlement to the Afghanistan conflict.

TRAVEL UPDATE

Plan May Ease Europe Flight Delays

BRUSSELS (Reuters) — West European experts on Tuesday completed work on a scheme to ease air traffic congestion. The phased $60 million project will be completed by 1993.

The Eurocontrol organization, which groups 11 nations, said it had formally agreed to set up a flow management unit to coordinate air traffic for 22 nations. "Aircraft operators and consequently passengers will benefit from a centralized and more efficient flow management by receiving data on flow management measures and route utilization," the Brussels-based body said.

In the first stage, five national air traffic centers will confer daily on traffic problems, officials said. By the beginning of next year, computers should enable operators to improve planning to avoid saturated air space. The plan falls short, however, of a common traffic control system recommended by airlines and others.

In Italy, heavy rain, and even snow in the mountains, have greeted tourists seeking the sun over the past three days. After 48 hours of rain in the north, flood alerts were issued Tuesday in the Adige and Gardena valleys. Landslides blocked several roads. Rome was hit by heavy rains. *(Reuters)*

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	23	73	20	68	fr
Amsterdam	20	68	17	63	fr
Athens	33	91	23	73	fr
Barcelona	29	84	22	72	fr
Belgrade	29	84	21	70	fr
Berlin	24	75	14	57	fr
Brussels	21	70	14	57	fr
Budapest	28	82	22	72	fr
Copenhagen	22	72	18	64	fr
Costa Del Sol	29	84	19	66	fr
Dublin	21	70	12	54	fr
Edinburgh	20	68	12	54	fr
Florence	28	82	18	64	fr
Frankfurt	21	70	14	57	fr
Geneva	27	81	15	59	fr
Helsinki	22	72	11	52	fr
Las Palmas	27	81	21	70	fr
Lisbon	27	81	18	64	fr
London	23	73	12	54	fr
Luxembourg	23	73	14	57	fr
Madrid	29	84	17	63	fr
Milan	28	82	17	63	fr
Moscow	21	70	13	55	fr
Munich	21	70	15	59	fr
Nice	—	—	—	—	—
Oslo	25	77	16	61	fr
Paris	—	—	—	—	—
Prague	26	79	15	59	fr
Reykjavik	10	50	7	45	fr
Rome	25	77	20	68	fr
Stockholm	20	68	13	55	fr
Strasbourg	—	—	—	—	—
Venice	30	86	17	63	fr
Vienna	28	82	19	66	fr
Warsaw	25	77	21	70	fr
Zurich	18	64	15	59	fr

MIDDLE EAST

Ankara	32	90	—	—	fr
Cairo	33	91	24	75	fr
Istanbul	28	79	20	79	fr
Jerusalem	25	77	14	61	fr
Tel Aviv	28	82	19	66	fr

OCEANIA

Auckland	—	—	—	—	—
Sydney	18	64	11	52	fr

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	27	81	fr
Beijing	34	93	19	66	fr
Hong Kong	33	91	28	82	fr
Manila	33	91	26	77	sh
New Delhi	—	—	—	—	—
Seoul	—	—	18	64	—
Shanghai	31	88	21	70	fr
Singapore	31	88	25	77	th
Taipei	33	91	25	77	th
Tokyo	24	75	14	57	sh

AFRICA

Algiers	30	91	19	66	fr
Cape Town	19	66	7	45	fr
Casablanca	22	72	21	70	fr
Harare	28	82	13	55	fr
Lagos	—	—	24	75	—
Nairobi	27	81	14	57	fr
Tunis	28	82	22	72	fr

LATIN AMERICA

Buenos Aires	—	—	—	—	—
Lima	—	—	—	—	—
Mexico City	25	77	13	55	fr
Rio de Janeiro	—	—	—	—	—

NORTH AMERICA

Anchorage	26	79	12	54	fr
Atlanta	29	84	21	70	fr
Boston	29	84	15	59	fr
Chicago	30	86	18	64	fr
Denver	36	100	18	64	fr
Detroit	30	86	17	63	fr
Honolulu	30	86	24	75	sh
Houston	34	93	23	73	sh
Los Angeles	31	88	19	66	fr
Miami	32	90	24	75	fr
Minneapolis	34	93	21	70	fr
Montreal	28	82	15	59	fr
Nassau	31	88	26	79	fr
New York	30	86	21	70	fr
Phoenix	47	117	32	90	fr
San Francisco	23	73	13	55	fr
Seattle	21	70	12	54	fr
Toronto	31	88	18	64	fr
Washington	30	86	24	75	th

ch-cloudy; to-foggy; fr-fair; h-hail; o-overcast; p-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Moderate. FRANKFURT: Stormy. Temp. 24—17 (79—63). LONDON: Fair. Temp. 24—13 (75—55). MADRID: Fair. Temp. 28—17 (86—63). NEW YORK: Showers. Temp. 30—21 (86—70). PARIS: Stormy. Temp. 23—17 (77—63). ROME: Fair. Temp. 29—18 (84—64). TEL AVIV: Fair. Temp. 31—20 (88—68). ZURICH: Fair. Temp. 27—13 (81—55). BANGKOK: Rainy. Temps. 35—25 (95—77). HONG KONG: Fair. Temps. 33—29 (91—84). MANILA: Showers. Temps. 34—24 (93—75). SEOUL: Partly cloudy. Temps. 28—19 (82—66). SINGAPORE: Showers. Temps. 32—24 (90—75). TOKYO: Cloudy. Temps. 23—17 (73—63).

PLO Sees U.S. Shift On Talks

It Cites Progress Of 'Outsider' Role

By Jonathan C. Randal
Washington Post Service

TUNIS — The United States is seriously considering a proposal by the Palestine Liberation Organization that prominent Palestinian Americans take part in negotiations with Israel on holding elections in occupied territories, according to PLO officials here.

The proposal was introduced during a June 8 meeting of U.S. and PLO representatives and made public 10 days later by the PLO chairman, Yasser Arafat. It has been discussed in greater detail by Robert H. Pelletreau, the U.S. ambassador to Tunisia.

Inclusion of Palestinian Americans in a delegation would be a compromise on Washington's suggestion that the PLO authorize Palestinians living in the occupied West Bank and Gaza Strip to negotiate with Israel.

The compromise proposal is certain to raise strenuous objections from Israel, according to diplomats, analysts and Palestinian officials.

They predicted that Israel would object to the presence of any "outside" Palestinians, contending that this would in effect legitimize a PLO demand for a role in negotiations. Israel has long opposed any negotiating role for the PLO, which it regards as a terrorist organization.

Possible Palestinian Americans for a role in negotiations, Mr. Arafat has said in an interview with the Financial Times of London, are Edward Said, professor of comparative literature at Columbia University in New York City, and Ibrahim Abu Lughod, professor of political science at Northwestern University in Evanston, Illinois.

Last year, before the United States and the PLO agreed to resume talks, ending a 13-year interruption, both professors conferred with George P. Shultz, then the U.S. secretary of state.

The U.S. Embassy in Tunis has declined to give any clue to Washington's reaction to the Palestinian negotiating proposal.

PLO officials have said that the United States indicated a response could be expected after a meeting in Israel on Wednesday of the Likud bloc's Central Committee. Prime Minister Yitzhak Shamir's proposal for the election of a local Palestinian leadership in the occupied territories is expected to face a serious challenge from Ariel Sharon and other rivals in the rightist bloc.

The mere fact that the Bush administration is examining the PLO proposal on elections is seen in Tunis as reflecting an attitude in Washington that the growing violence in the Israeli-occupied territories might require an increasingly forceful U.S. policy.

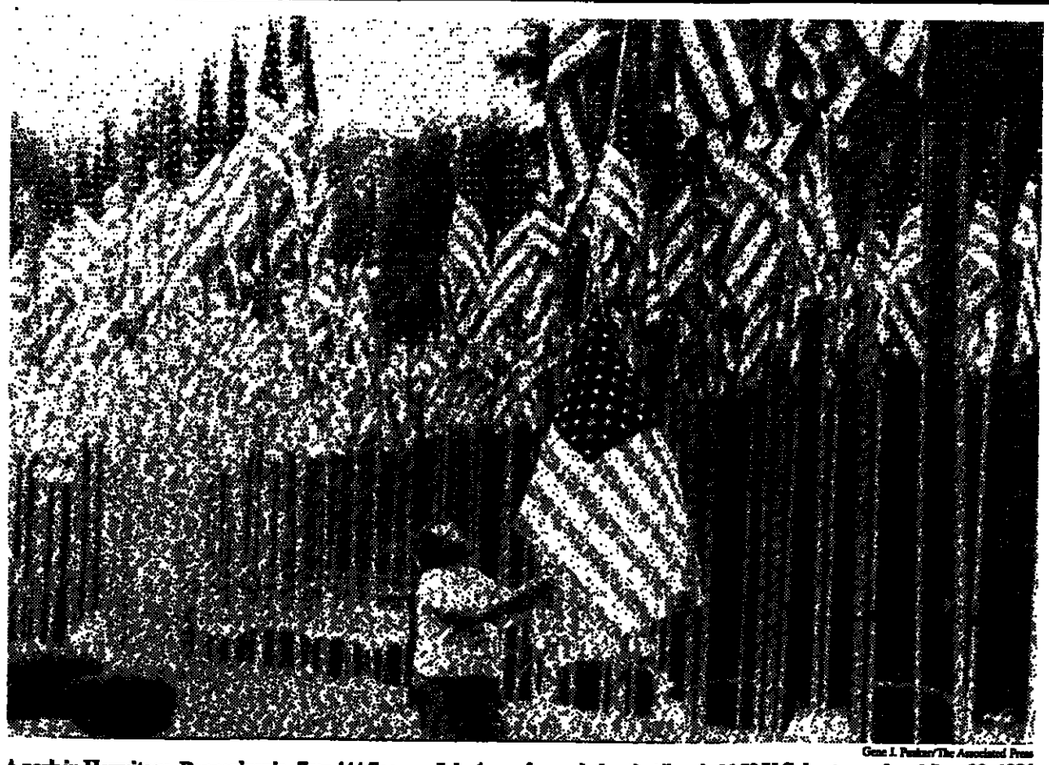
A speech last month by Secretary of State James A. Baker 3d to the American Israel Public Affairs Committee, which was critical of both Israel and the PLO, has been interpreted as a move away from a more passive Bush administration attitude toward the Palestinian uprising.

PLO officials have expressed doubt that the Bush administration would risk alienating Israel and its powerful friends in Congress by openly favoring inclusion of Palestinian Americans, and thus challenging the Shamir government's refusal to deal with the PLO.

At the same time, there have been reports that the Bush administration may be on the verge of abandoning efforts for election negotiations in favor of more direct contacts.

Such an outcome would please the PLO. In response to a U.S. recommendation, the PLO has not rebuffed the Shamir election plan.

But it has criticized it as another Israeli subterfuge dressed up as a peace offer, designed to end the uprising in the occupied lands and to split the PLO from leaders in the occupied lands.



Gene J. Puskar/The Associated Press

A park in Hermitage, Pennsylvania, flew 444 flags on July 4, one for each day that Iran held 52 U.S. hostages, freed Jan. 20, 1981.

Banner Year for Raised Consciousness

By Stanley Meisler
Los Angeles Times Service

NEWS ANALYSIS

WASHINGTON — The 19th century essayist Ralph Waldo Emerson marveled at the symbolic power of a national flag.

You take a star or a crescent or a lily or "other figure which came into credit God knows how" and put it on "an old rag of bunting," he once wrote. You let it blow "in the wind on a fort at the ends of the earth." The sight makes "the blood tingle" of even "the rudest or the most conventional" citizen.

The people, he concluded, "are all poets and mystics."

Poetry and mysticism help explain, this Fourth of July, the feverish debate that has embroiled the United States over the Supreme Court decision to permit flag-burning as an expression of protest. President George Bush has joined the fray, endorsing a constitutional amendment to overturn that decision.

To David I. Kertzer, an anthropologist who specializes in the use of ritual in politics, the uproar underlines Old Glory's role as "a totem," as "the holy icon of the American civil religion."

Thus politicians of both parties — and Mr. Bush's proposed amendment — use "desecration" to describe the burning of a flag. It is a religious word that means the defilement of something sacred.

Such veneration has a long tradition in the United States. As Chief Justice William H. Rehnquist pointed out in his emotional dissent from the court's June 21 decision, the Washington lawyer Francis Scott Key wrote his poem "The Star-Spangled Banner" during the War of 1812 after watching British warships in Baltimore's harbor fail through the night to force Fort McHenry to lower its flag and surrender.

But historians say the veneration has become more intense — certainly more codified into law — since the turn of the century and especially after World War I.

"The flag has always been important to Americans," says Michael Kazin of American University. "But the creation of a lot of the rituals that we associate with the veneration of the flag came from that period. 'The Star-Spangled Banner' was not made the official national anthem until 1931."

Mr. Kazin and other historians attribute the rising consciousness of that era to widespread uneasiness at the waves of non-English-speaking immigrants entering the country and to a fear of the Bolshevik Revolution.

Until the American and French revolutions, most peoples did not care much about their flags; banners around the world served mainly to identify armies in battle or royal families in power.

But the two bloody upheavals in the late 18th century spawned flags that would symbolize and inspire new nations. The stars and stripes — designed in 1777 but probably not by Betsy Ross — and the blue, white and red tricolor put together a few days after the storming of the Bastille in 1789 are still among the most venerated flags on earth.

Two centuries later, nations and their flags have become inseparable.

"With a flag, one can do anything," wrote Theodor Herzl, the Austrian journalist who founded modern Zionism, "even lead a people into the promised land."

Most peoples pay substantial homage to their flags, and a good number live in societies where the flag is protected by law from mutilation.

The British and Japanese flags enjoy no such protection, and even the French may burn the tricolor with impunity. It is illegal in France to destroy, mutilate, degrade or pull down a flag put up by the government, but no one has been prosecuted under that law since 1822.

Probably the only country to rival the United States and France in flag veneration is the Soviet Union. Intentional destruction of the Soviet flag is punishable by up to two years in jail, or a year's enforced labor or a fine of not more than the equivalent of $75.

"When I see our flag rippling in the breeze, my heart fills with pride," a middle-aged woman with an advanced degree in physics said in Moscow recently. "It's so automatic that even when I see the flag flying from a building where it always flies, I feel that way."

That much, at least, the United States and the Soviet Union have in common. Even the Supreme Court, in its recent decision, did not dispute the powerful national symbolism of the flag. Instead, it decided that the freedom of speech guaranteed in the Bill of Rights gave dissidents the right to burn it as an expression of protest.

Throughout the rest of the world, the very document cited by the Supreme Court as protecting the right to burn the flag is itself recognized as a symbol of U.S. democracy.

"What sets us apart from others is the Bill of Rights: The state can't tell us what to do," said Mr. Kertzer, who teaches at Bowdoin College in Brunswick, Maine.

"But the Bill of Rights is not really as powerful a symbol as the flag on the popular level," he said. "It does not have nearly the sacred status. It is too complex — it does not have a visual effect like the flag. And you can't take it into battle."

In 1916, a year before the United States entered World War I, President Woodrow Wilson signed a proclamation making June 14 a day of national observance of the flag. In 1949, four years after the end of World War II, Harry Truman signed a law making Flag Day a national holiday, but it is still not a legal one that gives federal workers a day off.

The tensions of World War II demanded continual shows of patriotism. In 1942, Congress enacted into law the American Legion's Flag Code, which laid down the rules for proper display of and respect for the flag. In case the flag was too damaged to use again, the code stated, it "should be destroyed in a dignified way, preferably by burning." That remains federal law.

The Vietnam War generated flag-burning protests that moved Congress to enact the Federal Flag Desecration Statute in 1967. The chairman of the House Armed Services Committee, L. Mendel Rivers, said that flag-burning had "caused my mail to increase 100 percent from the boys in Vietnam, writing and asking me what is going on in America."

Various states, following the federal example, enacted anti-burning laws of their own. It was the Texas version of the law that the Supreme Court struck down in its June 21 decision.

U.S. Capital Fights a Slump in Tourism

By Paul Farhi
Washington Post Service

WASHINGTON — On the eve of her busiest day of the year, when thousands of visitors would file past her souvenir truck on their way to the fireworks show on the Mall, Carmen Castillo was glum.

Since January, she estimates, business at her stand has fallen by 40 percent. "It was supposed to pick up by now," Miss Castillo said, smiling thinly, "but nothing's coming."

Hideo Koga used to fret about the local tourism business too. His tour company caters to Japanese visitors, and reports of drugs and crime in the national capital threatened to send his customers elsewhere.

But Mr. Kaga, whose clientele has increased by 20 percent over last year, noted: "There's a lot more concern about the crime in Los Angeles and New York now."

As the summer crunch began in earnest this week, the Koga-Castillo contrast presented a puzzling picture of Washington's $2 billion-a-year tourism industry. Although hotels are reporting solid bookings, some vendors say there are fewer people in museums and at the monuments and other tourist spots.

The most plausible explanation is that would-be visitors who live near Washington have avoided the city because of unusually rainy weather, not high crime; those who live far beyond the capital — business travelers, conventioneers and tourists — are still coming.

City hotels were at 71.5 percent of capacity through May, a slight increase over 1988, a banner year.

For some industry officials, the hotel-occupancy figures are the most important indicator of the health of tourism — the city's largest employer after the government. Hotel clients spend far more than other visitors on meals, entertainment and services, and pay millions of dollars to the city through sales and room taxes.

But officials say that hotel guests make up only about a third of the visitors to Washington. The others are divided among out-of-towners who stay with friends and relatives and "day-trip" visitors who come in for an afternoon or evening.

The restaurateurs, tour providers and street vendors who rely on such customers say the drop has been especially noticeable in the Mall area at the Washington Monument, the prime tourist destination.

"Business just isn't what it has been," said Dan Murphy, a tour guide. Surveying a so-so crowd queuing up for a White House tour, he said: "This is about the worst I can remember."

Rain has probably been the biggest factor in tourism this year. The National Weather Service said that Washington received 26.9 inches (69 centimeters) of rain during the first half of 1989, 43 percent more than normal.

A 'Mini-Marshall Plan' for Philippines

By Thomas L. Friedman
New York Times Service

TOKYO — Secretary of State James A. Baker 3d pledged Tuesday that the Bush administration would seek $1 billion over the next five years in supplemental economic assistance for the Philippine government of President Corazon C. Aquino to help buttress her fragile democracy.

The U.S. pledge was made at the inaugural session of the Multilateral Assistance Initiative for the Philippines, a cooperative effort by 19 nations and seven international financial institutions to aid the Philippine economy while Mrs. Aquino's government implements sweeping economic and agrarian changes.

U.S. officials said the willingness of nations as far afield as Italy to take part in the aid conference was a reflection of the degree to which the dramatic and widely televised 1986 "people power" revolution in the Philippines, which toppled Ferdinand E. Marcos and eventually brought Mrs. Aquino to power, had captured the imagination of the world.

This so-called mini-Marshall Plan for the Philippines, which was initially inspired by members of the U.S. Congress, was being described by Mr. Baker as an example of the kind of "creative responsibility sharing" that the Bush administration wanted to see more of between the United States, Japan and other rapidly growing Asian economies.

Foreign Minister Hiroshi Mitsuzuka of Japan announced that his country would commit $100 million in aid for development projects in the Philippines this year, over and above the roughly $900 million in grants and loans already promised. The French ambassador, Bernard Dorin, speaking on behalf of the 12-nation European Community, said the EC would triple its average annual aid to the Philippines, bringing it up to $350 million. Other nations were scheduled to announce their pledges Wednesday.

In addition to taking part in the pledging conference, Mr. Baker, who flew into Tokyo on Tuesday at the beginning of an Asia tour, used his 24-hour stopover in Tokyo to meet with Prime Minister Susuko Uno, whose political future has been clouded by a sex scandal.

Mr. Baker leaves Tokyo on Wednesday for Brunei for the annual conference of the foreign ministers of the Association of South East Asian Nations. He said that the prime subject for discussion with the six ASEAN nations — Brunei, Thailand, Malaysia, Singapore, the Philippines and Indonesia — would be a settlement of the Cambodian conflict.

The secretary pledged to seek from Congress $1 billion in special grant assistance for the Philippines over roughly the next five years, with $200 million earmarked for next year. This would be in addition to the $962 million in economic and military aid the Bush administration has already budgeted for the Philippines for 1990 and 1991. The purpose of the supplemental aid is as much to fund specific projects as to signal private foreign investors that it is safe to commit their own funds to the Philippines.

How much of Mr. Baker's pledge will actually be appropriated by Congress remains to be seen, but administration officials said they expected to get at least $150 million, given the bipartisan support for the aid package on Capitol Hill. Whether the full $1 billion ever will be paid out could also depend on the outcome of negotiations between Washington and Manila over the future of American bases in the Philippines, the leases of which come up for renewal in two years. There is a strong move afoot in the Philippines to end the U.S. military presence and this could influence congressional attitudes on future aid.

Some congressmen also have complained that the Philippines has been unable to absorb all of the aid funds already committed. In addition, they pointed to the recent exposure of corruption in Mrs. Aquino's land reform program, which has already led to the resignation of two dozen officials.

Mr. Mitsuzuka also alluded to concerns about corruption and mismanagement while making the Japanese pledge, saying: "I earnestly hope the Philippine government as a whole will continue to exert their utmost efforts, in response to the enthusiasm of the international community for the Philippines, in ensuring efficient and effective implementation of development assistance."

In an impassioned speech, the Philippine foreign secretary, Raul Manglapus, hailed the donor nations for their "solemn act of humanitarian justice" and promised that none of it would be misspent. "Our word remains as hard as gold," he told the donors.

Time Report Discounts Bugging of Moscow Site

By Howard Kurtz
Washington Post Service

NEW YORK — Time magazine, in an unusual journalistic debunking, has published a long account saying that the Soviets never successfully penetrated communications at the U.S. Embassy in Moscow, thus challenging the findings of a book that Time excerpted as its cover story four months ago.

Citing more than 60 interviews with officials and "a highly classified intelligence community assessment," Time said in its latest issue that U.S. investigators had concluded that "there was no evidence of a devastating communications breach in Moscow."

In "Moscow Station," excerpted in the magazine's Feb. 20 issue, the author, Ronald Kessler, asserted that the U.S. government had covered up evidence that the Soviets bugged the U.S. Embassy.

Mr. Kessler's book said that the National Security Agency, an agency of the Defense Department, had found Soviet eavesdropping devices in the embassy's code room in 1987 but, together with the Central Intelligence Agency, concealed this information from the State Department.

The CIA earlier took the unusual step of issuing a public statement denying Mr. Kessler's account, stating that no evidence could be found of "unauthorized penetration" of the embassy code room.

Time reports that the National Security Agency wrote a letter to the magazine agreeing with the CIA, adding that "no information was, or is, being withheld" from the State Department.

Mr. Kessler, a former Washington Post reporter, called the Time article "naive" and said that the magazine "fell for the government's line, which is an attempt to totally rewrite history."

Stanley W. Cloud, Time's deputy Washington bureau chief, said that the magazine was "casting no aspersions on Kessler."

"These kinds of stories are damned difficult," he said. "It's always like a committee feeling the shape of an elephant."

The Moscow embassy scandal burst into public view in December 1986, when an embassy guard, Sergeant Clayton Lonetree, admitted that he had given classified information to the Soviets. Another guard, Corporal Arnold Bracy, confessed to espionage but later recanted. Caspar W. Weinberger, then secretary of defense, called it "the worst spy case of the century."

Only Sergeant Lonetree was convicted as legal cases against others fell apart. Various publications, including Time, reported growing doubts about the original allegations. A Washington Post report in January 1988 concluded that "the entire affair was overblown."

But publication of "Moscow Station" and its prominent display in Time put the story back in the news. Mr. Cloud said that Time's decision to excerpt the book was made in New York, with some input from the Washington bureau.

"There were some who wondered whether his conclusions were right," Mr. Cloud said. "There was some debate within the organization about whether it was wise or not wise to run it."

But Mr. Kessler said he was told that "several people in the Washington bureau were very unhappy" about running the eight pages of excerpts.

A few weeks later, Mr. Cloud said, he and Time's Washington bureau chief, Strobe Talbott, developed reservations about Mr. Kessler's findings, and they assigned Jay Peterzell, a national security reporter, to reexamine the issue.

Mr. Peterzell's story says that numerous "secret sensors," hidden inside the embassy and unknown to the Marine guards, recorded no evidence of penetration. The story also cites technical reasons why the Soviets could not have tapped into two key pieces of embassy equipment, as Mr. Kessler contends.

AMERICAN TOPICS

For More Awareness, A Museum of Trash

What is probably the first museum in the United States to be devoted to trash will be opened this fall at Lyndhurst, New Jersey, next to the vast Hackensack Meadowlands garbage dump, The New York Times reports. Walking through the museum will give the sensation of being inside a mountain of garbage, though without the smell.

Household junk — dead batteries, plastic milk bottles, broken toys, rusted car fenders, bald tires, cereal boxes and soap cartons — spread across the floor, run up the walls and crawl across the ceiling.

Anthony Scardino, a state environmental official, said in all seriousness he hoped the museum would help alert young people to the trash problem and encourage them to find "solutions a lot of us haven't figured out yet."

Short Takes

Gregory Johnson, 32, whose conviction for burning the American flag outside the Republican National Convention in Dallas in 1984 was overturned in a 5-to-4 decision last month by the Supreme Court, is not entirely happy about it. He said he lives in fear that "some Rambo maniac" may attack him. "The government could set me up," he told People magazine, "and have some outraged citizen come down on me in a way the Supreme Court wasn't able to do."

Meanwhile, Skip Porteous of Great Barrington, Massachusetts, bought a batch of American flags and treated them with fire-retardant. He is selling them for $10 apiece. He said the proceeds will go toward a commemoration of the ratification of the Bill of Rights in 1791.

Flocks of sheep and teams of woodsmen have replaced chemical defoliants along the Oregon coast to clear brush from steep slopes for new forests. The cost is about the same. Federal court decisions in 1983 and 1984 barred the use of herbicides in U.S. forests in the Northwest. Sheep are used because they are easier to handle than goats and more agile than cattle.

Shorter Takes: Sears Tower in Chicago, the world's tallest building at 1,454 feet (about 445 meters), has been put on sale by Sears Roebuck & Co., which plans to move most of its staff of 6,000 to the suburbs. The asking price is reported to be $1 billion. • Both houses of the New York State Legislature have approved a bill that would allow Staten Island to secede from New York City. But secessionists still face formidable legal and practical obstacles. • One way to get a better seat in many major league baseball parks, The New York Times reports, is to bribe an usher $5 to $50 for the unused box seats of season ticket holders. Some managements wink at the practice; others try to stamp it out.

One bright spot for American business in trade with Japan is in franchises, the Los Angeles Times reports. Japanese companies have bought the Japanese rights to about 100 American franchises. A total of 7,366 retail outlets in Japan sell everything in U.S.-franchised products from flame-broiled chicken to Venetian blinds. After Canada, with 237 U.S. franchises and 9,031 outlets, Japan is the biggest foreign market for U.S. franchises.

Last week's White House dinner for Prime Minister Bob Hawke of Australia was to have been held in the Rose Garden. But two nights earlier, Barbara Bush recounts, she took Millie, the family's springer spaniel, for a walk with the thermometer in the 90s (above 32 degrees centigrade). "I was wearing just a T-shirt and slacks, and when I came in I was dripping," the First Lady said. "I thought of all the hairdos that will wilt and all the men who will swear at me. It's so beautiful with all the little lights in the trees and bushes, but it is cruel and unusual punishment." The dinner was switched to the air-conditioned State Dining Room.

Arthur Higbee

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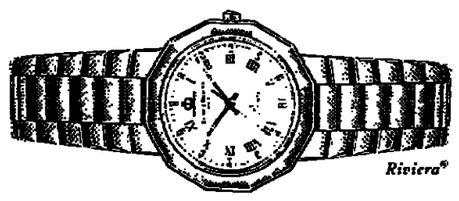

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A Text Taken Seriously

One of the themes in American reports from Tiananmen Square at the height of the popular demonstrations there could be stated roughly as follows: "While the people here are calling for democracy, it's hard for them to give a clear definition of what they *mean by it; it's probably something quite* different from democracy as we know it."

That statement may be debatable as to its truth (a number of the Chinese we heard speaking out, especially those outside China, seemed to have a pretty good idea of what they wanted, and it didn't sound too different from what we have), but it is revealing of a certain attitude that many Americans have about democracy: We tend to be a bit proprietary about it. Once the crowds start to march on the palace somewhere and an undemocratic government starts to totter, we begin discussing how things ought to proceed ("Now, they should have a bicameral legislature, of course, and an independent judiciary . . . "), and also urging that things not be allowed to get out of hand.

This habit of mind is not always appreciated abroad (nor is the advice necessarily followed), but it is understandable why Americans have it, given our peculiar history. In an age of growing and often nasty nationalism, the United States has united *not around race, language, religion or ties to* the land, but rather around adherence to ideas set forth in a few paragraphs of incandescent 18th century prose: "that all men are created equal," that people have "certain unalienable rights," that "to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Of course, the inclusive sort of republic implied in those words from the Declaration of Independence was not all that evident to people in slavery, to women and others denied the franchise, and to the immigrants who suffered privation and discrimination in America. But the document has endured because, rather than becoming the object of cynicism, it has been repeatedly invoked to point up the country's shortcomings. It has been a standing rebuke to the conscience: debated, revered, misunderstood, but above all alive.

A Chinese student in America wrote an article for The Washington Post at the height of the uprising in Beijing. In it he argued that achieving democracy in China was a simple matter of observing that country's constitution, which clearly provides a framework for representative government. A short time later, the government in China used the military to terminate all public discussion along these lines. Among the many deviations that such regimes generally find it necessary to keep an *eye out for is the tendency to take certain* documents too seriously.

— THE WASHINGTON POST.

Bitter End in Greece

The unlikely Greek coalition of conservatives and Communists must count as a perverse achievement for Andreas Papandreou. The two parties that now sit together in Athens, albeit temporarily, are descendants of the opposing forces in a bitter 1940s civil war. The Papandreou era began eight years ago with the return of Greeks exiled since the Communist defeat. Mr. Papandreou, a Socialist, counted on the ideological enmity of opponents on his left and his right to keep themselves divided and himself in power.

The prime minister had hoped that those divisions would still work for him even after an election last month gave the conservative New Democracy Party a plurality. But Greeks are disgusted over reports of massive corruption and disenchanted with Mr. Papandreou's flamboyance. The voters make clear that they want his party out and the guilty brought to justice.

Heeding this message, New Democrats and Communists subordinated ideology to the popular desire for "catharsis." Since Greek law provides that ministers gain immunity unless proceedings are begun against them under the very next government, the wrongdoers would have become untouchable had Mr. Papandreou formed the new cabinet.

The Papandreou era was not without achievements. Socialist government finally helped to overcome bitter divisions still left over from the civil war and the colonels' dictatorship of 1967-1974. It helped bring economic gains and improved social services to rural Greece. And it guided Greece's entry into the European Community, a step that the Socialists had once opposed. Mr. Papandreou began a détente with Turkey, the traditional enemy but NATO ally, and softened his previous insistence on the removal of American bases and withdrawal from NATO.

Many Greeks might have wished his government a happier ending, but Mr. Papandreou, through his arrogance and apparent tolerance of corruption, drove old enemies to make common cause against him.

— THE NEW YORK TIMES.

The Court on Abortion

The absolute worst nightmare of pro-choice Americans has not come true: Roe v. Wade has not been overturned. But the Supreme Court's decision in Webster v. Reproductive Health Services, which was announced on Monday, provides Americans who believe in the right of choice on abortion great cause for consternation, just as it provides cause for celebration to those who would limit abortion. Only Justice Antonin Scalia wrote in favor of outright reversal, but a majority of the court sees no constitutional bar to state statutes that limit the availability of abortion, and their opinions point the way to possible further restrictions in the future.

Three years ago, Missouri enacted a law containing 20 provisions that amended existing statutes concerning unborn children and abortion. The preamble and three other sections reached the Supreme Court on appeal. The preamble, which contained a finding by the legislature that life begins at conception and a directive that all Missouri laws be interpreted to provide unborn children with the same rights enjoyed by other persons, was easily disposed of by the court. The language, wrote Chief Justice William Rehnquist, is simply an abstract proposition that imposes no substantive restrictions on abortion, and its constitutionality need not be decided. Another section of the Missouri statute, which made it unlawful to use public funds for abortion counseling, was withdrawn from appeal when the state conceded that it did not apply to the conduct of any physician or health care provider, public or private, but only to those responsible for allocating public funds.

The two remaining provisions on appeal were upheld. One makes it unlawful for a public facility to be used for performing abortions. This removes all public hospitals and clinics, as well as those private facilities located on government land, from the pool of institutions offering abortion services. *Both the intent and the effect of this statute* are harmful. Unfortunately the court has consistently upheld such laws restricting the use of public funds for abortions.

The final matter at issue was a section directing doctors to conduct certain tests on a fetus after 20 weeks if there is a possibility that the fetus is viable. A majority found the provision constitutional because doctors need order tests only if a potential life is at stake. But a plurality took the opportunity to disregard Roe v. Wade's framework, which allows certain regulation in the second trimester to protect the health of the mother, and greater restrictions only in the third trimester to protect fetal life. At least five justices are known to support the state's interest in protecting potential life when viability is possible, which leads to the prospect of further restrictions at earlier dates, premised on the welfare of the fetus.

It is now open season on state legislatures all over the country. Anti-abortion forces will press for more onerous restrictions, greater curtailment of state support and far more emphasis on the welfare of the fetus than on that of the mother. They will search Monday's opinions for soft spots, and will pursue them. Pro-choice groups, which have always claimed wide public support for abortion, as measured by opinion polls, will be forced to mobilize that support in 50 state legislatures just to hold the line.

Perhaps it would have been better if the abortion question had been settled in state legislatures rather than in the court. But that didn't happen, and the landmark decision became not only law but a widely relied-on fact of American life. Now, at this late date, the court has reopened the political battle and given encouragement to those who would chip away at an established constitutional right. The battle in statehouses and in courts will continue for decades, and it will be ferocious. The court, in our view, did great harm on Monday not just to a constitutional right but to women who will be thwarted in *their attempt to exercise it.*

— THE WASHINGTON POST.

Other Comment

Negative Thinking in London

From the start the assumption in Westminster has been that there is no way Britain could honor its obligations to the 3.26 million Hong Kong residents entitled to British passports by giving them the right to settle here. Last week, the Commons Foreign Affairs Committee endorsed that negative view.

A study commissioned from a team of London University economists [cites] housing, transport and unskilled labor as areas that initially would be adversely affected. But it also foresaw numerous gains: for example, to the balance of payments, to Britain's capital account, to the already stretched skilled labor market and to the "dependency ratio" of those of working age to children and the elderly. Overall it concluded that the benefits of all 3.26 million potential passport holders coming to Britain would outweigh the costs. Sir Geoffrey claimed Monday to be dismayed by suggestions that [London's view to the contrary] was a matter of race. Yet would the same assumptions have been made if Hong Kong inhabitants were predominantly white and English speaking?

— The Independent (London).

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OPINION

Hong Kong: The Time to Restore Confidence Is Now

By Martin C. M. Lee

HONG KONG — In the last two months the Chinese leadership in Beijing has fully exposed its ugly face, television cameras from all over the world having so effectively removed its mask. The massacre in Tiananmen Square and the ensuing crackdown were not the first crimes ever committed by that leadership, but they were the first to be witnessed by so many outsiders.

Hong Kong has watched these events with shock, pain, anger and now fear.

The people of Hong Kong, including those who were known for their devotion to the Chinese Communist Party, have united in condemning the recent crimes against humanity. On two successive Sundays in late May, about a million people — or some one-sixth of Hong Kong's population — joined in massive but orderly demonstrations against the Chinese Communist Party leadership's handling of the students' movement. In the eyes of that leadership there is little doubt that Hong Kong is in rebellion. The fear in Hong Kong is that there will be a crackdown here after 1997.

But the British government intends to return Hong Kong to China in 1997, under the Joint Declaration signed between the two governments in 1984 — under which the people of Hong Kong were made a number of hackneyed promises such as "one country, two systems" and "Hong Kong people ruling Hong Kong" with "a high degree of autonomy."

Margaret Thatcher and her foreign secretary, Sir Geoffrey Howe, the two principal architects from the British side of this agreement, still express confidence that the Chinese government will adhere to its terms in full. This confidence would indeed be reassuring if they were prepared to back it up by giving the right of abode to the 3.28 million Chinese people who were born in Hong Kong as British subjects, in case they need a lifeline. But this they categorically refuse to do, on the ground that it would double the number of people of "ethnic minorities" in the United Kingdom.

Full democracy must be instituted before 1997. Human rights must be entrenched now.

In these circumstances, all those in Hong Kong who can afford to emigrate are actively taking steps to do so — professionals, entrepreneurs and those in top and middle *management, including many in the Civil* Service. But these are the people Hong Kong can least afford to lose.

Mrs. Thatcher has said in effect that if there is a calamity in Hong Kong after 1997 so as to cause its people to push their little boats to the seas to escape persecution, then the British government would appeal to the international community to give them refuge. But this is a completely defeatist line to take, and may even be self-fulfilling.

Mrs. Thatcher should wake up to the fact that unless she comes up with a package almost immediately to restore confidence in Hong Kong, the British government will not be able to comply with Clause 4 of the Joint Declaration, which *effectively requires* the British government to deliver Hong Kong to the Chinese government in 1997 as a prosperous and stable international city.

The time for action is now. Mrs. Thatcher can still prove herself to be not just the longest serving British prime minister but also a true leader who averts what is fast appearing to be *certain disaster for* Hong Kong.

The vital objective is to persuade the people to stay in Hong Kong. I would suggest the following as a package:

1. No Chinese troops should be stationed in Hong Kong, and they should enter Hong Kong only to restore order upon the request of the chief executive.

2. Hong Kong must be given a much higher degree of autonomy than promised in the draft Basic Law (the future constitution for Hong Kong). It should stipulate, for example, that only the chief executive, and not Beijing, has the power to declare the region to be in a state of emergency.

3. Full democracy must be instituted in Hong Kong before 1997.

4. Human rights must be entrenched in Hong Kong now.

5. There must be some effective monitoring by the United Nations, so that what happens in Hong Kong after 1997 will not be just "an internal affair" of China, as events in Tibet and Beijing now are.

6. All the people in Hong Kong must be given a lifeline in case all the above should prove to be inadequate.

As to the last point, it may be easier than Mrs. Thatcher thinks, for many governments are now extremely angry with China and worried about Hong Kong. And many of these governments have the experience of taking Chinese immigrants from Hong Kong and know that they are an asset.

Mrs. Thatcher should accept the recommendation of the Parliamentary Foreign Affairs Committee in London to "take the lead at the earliest opportunity, particularly with our EC partners and immigrant-receiving countries such as Australia, Canada and the U.S.A., in establishing the definite guarantees which could be put into place in the years ahead," and come up with a definite plan of action.

Mrs. Thatcher, let not *posterity remember* you as the British prime minister who caused the sun to go down in shame on June 30, 1997, over the way you have handled Hong Kong.

The writer, an attorney and member of Hong Kong's Legislative Council, contributed this comment to the International Herald Tribune.

Ex-Minister Heseltine: Waiting Patiently in Churchillian Exile

By David S. Broder

LONDON — The most interesting figure in British politics at the moment is not a member of the government or of the loyal opposition. To find him you do not go to Westminster or Whitehall. Instead you take a rickety elevator to the sixth floor of a building opposite Scotland Yard and walk down the corridor to the door carrying the name of an obscure publishing house.

'Sometimes the change can come very quickly.'

Behind the door, at a desk covered *with papers, sits Michael Heseltine,* the man many here call "the next prime minister but one."

On this day he is wearing a pale blue shirt which exactly matches the color of his eyes. At 56, his mane of blond hair is turning gray, but the profile which gave him the nickname "Tarzan" remains largely intact. When he opens the conversation by asking, with mock innocence, "Why in the world is The Washington Post interested in me?" you have no doubt you are dealing with a politician.

It is always instructive to visit politicians who are out of power but not out of chances. In their years of waiting, after their first efforts for the White House had failed, you could discern the unquenched ambition and the calculating political intelligence which ultimately carried Richard Nixon, Ronald Reagan and George Bush to success.

Mr. Heseltine's preferred model, as befits a British Tory, is Winston Churchill. Like Churchill on the eve of World War II, Mr. Heseltine is a Conservative back-bench member of Parliament. Like Churchill, he resigned from the government on a "matter of principle."

The occasion was the thoroughly nasty affair which split Margaret Thatcher's cabinet three years ago over the future of a British helicopter *manufacturing firm called* Westland. Mr. Heseltine, who was then the defense minister, had one view of what should be done to rescue the company. Others, with a different view, prevailed with Prime Minister Thatcher. In a blaze of mutual recriminations over leaks, Mr. Heseltine literally stormed out of a cabinet meeting and quit.

That clearly dooms him to exile so long as Mrs. Thatcher remains in power or is in a position to dictate her successor. Despite her enmity, however, Mr. Heseltine continues to be an immensely popular figure with grass-roots Tories. He plies the British equivalent of the mashed-potatoes circuit (kidney pie, perhaps?) as assiduously as Mr. Reagan did during his years of waiting.

In his frequent television talk show appearances, and in this interview, he is careful to offer no direct, on-the-record criticism of the prime minister's leadership. But in three areas he has espoused policies markedly different in tone and substance from Mrs. Thatcher's.

One is the environment. Mrs. Thatcher has turned green this year, as she has sensed growing public concern over the issue. But Mr. Heseltine held that cabinet portfolio for four years before moving to defense in 1983 and has better credentials and a more extensive agenda.

The second issue is education and economic development. He calls for a bolder government role and more spending in areas where Mrs. Thatcher has cut back. His readiness to seek public-private partnerships in a wide variety of economic and social fields earns him one of the worst epithets applied at No. 10 Downing Street: "interventionist." But it seems to fit a public mood impatient with her doctrinal free enterprise.

Most important of all, Mr. Heseltine has left Mrs. Thatcher on the issue of Europe. His favorite theme, and the topic of his newly published book, is that Britain must embrace and lead the emerging European Community, not resist and delay it through a series of rearguard battles, as Mrs. Thatcher has been doing.

Britain, he argues, is not strong enough to stop "the relentless momentum" sweeping aside the barriers to European economic union. If it "dawdles or drops out," the Continent "will spare us no more than a regretful shrug." Britain would be left on the sidelines of history, clinging to a sovereignty of empty symbols but stripped of the power and influence it could enjoy if it chose instead "to commit all our national energies to the enterprise of Europe."

It is a worthy theme on which to stake a political career. And probably not that risky.

Mr. Heseltine knows that the view he takes is supported by increasing numbers of Britons, particularly in the post-World War II generations, and by virtually all business leaders.

Indeed, it is shared by some of the ablest people in Mrs. Thatcher's government, including the chancellor of the Exchequer, Nigel Lawson, and the foreign secretary, Sir Geoffrey Howe. These potential rivals of Mr. Heseltine have sacrificed much of their freedom of expression in order to maintain Mrs. Thatcher's favor, preferring some power today to the prospect of competing freely for greater power tomorrow.

So Mr. Heseltine can afford to be patient. "The Conservative Party," he told me, "has one great skill: survival. In the end, it will always do what it needs to do to be sure it is in tune with what the public wants — and the times require. Sometimes it is slow, and it may lose an election *before it changes leaders and direc*tions. And sometimes the change can come very quickly."

Whenever and however it comes, Michael Heseltine intends to be ready.

The Washington Post.

Israel: Hard Reality Points to the Way Forward

By A. M. Rosenthal

JERUSALEM — In the end, after all the travel in Israel, all the talks, arguments and emotions, one sentence keeps coming back: "We think it is our country, and they think it is theirs."

Yitzhak Shamir, prime minister of Israel, said it in a conversation in his office. He said it without drama. It is too important and enveloping a reality for him to trivialize with dramatics.

I talked with Israeli politicians and generals in their homes and offices, and with Palestinians in a prison camp in the Negev desert. It all came back to that one sentence, that one undissolved kernel.

So much has been said and written, so much blood shed, for so many decades, that it is healthy to get down to the one kernel of reality. Then we can see if it can be melted, and what it means for Israelis and Palestinians who want peace — but not at any price.

That qualification rules out two solutions. One is that Israel should never give up an inch of territory to Palestinian self-government. The other is that an independent Palestinian state must be the only goal and purpose of negotiation.

As the years go by, more and more Palestinians show that they will never rest until they can remove the weight and humiliation of occupation.

Too many Israelis fear that an independent Palestine would now be the cauldron in which the war for conquest of Israel would be set to *boil. The fear and the danger are too strong, too* probable, to be smothered.

If both sides stick to these extreme solutions, the 40-year war will go on.

Palestinians and their supporters delude themselves if they think that the intifada will overcome Israeli determination to protect Israel's survival as a nation. Israelis want to end the intifada, not surrender to it.

So the first step toward a solution is to understand that there is no solution now at hand. That is hardly a new situation in the world.

Only with that understanding can the next step be taken — to start the slow process of working toward one, knowing that it may take years but that time is more expendable than lives.

I believe that Mr. Shamir is trying to do that now with his proposals for an election by Palestinians, an amount of Palestinian self-government to be defined and five years of testing and negotiation without determining the outcome in advance.

The plan has drawbacks for the Palestine Liberation Organization, not for all Palestinians.

It would exclude the PLO from formally taking part in the elections — although most people running would have connections to the PLO.

Israelis would be utter fools to deal now with the PLO and agree to a separate Palestine under its present leadership. A few of the leaders, like Yasser Arafat, say some words about allowing Israel to exist, after all, but most of them are as fiercely determined as ever that the only real solution is the destruction of Israel.

The Shamir proposals are not a solution, for either side, but could be a beginning toward one.

He is not handing out territory. Neither is he pretending about taking the negotiation road.

His first problem is to overcome powerful opposition by members of his own ruling coalition.

The U.S. role is to persuade the PLO to allow elections to go ahead, but not to reward the PLO with so many goodies as to scare Israelis off.

So far the Bush-Baker evenhandedness has consisted largely of using both hands to twist the Israeli arm. But Secretary of State James Baker has shown that he understands something enormously important and usually forgotten: that the struggle is not simply between Palestinians and Israelis but part of the Arab world's campaign of hate and war against Israel.

The United States should now tell the Arab nations that it is time they awoke from their long dream of hate, long past time, and signed peace treaties with Israel. That would do more toward an Israeli-Palestinian solution than all the threats, wars and embargoes combined — assuming that some Arab nations really want such a solution.

Abroad, the talk is all of Israeli fatigue. Up close, fatigue does show, but it is not nearly as deep as the reservoir of determination to protect the country's security.

In Israel, security is not just a concept. It is hills that command valleys, forts along a frontier, hours to muster, distances that can be crossed by shells and patrols, neighboring states heavy with arms and sworn to Israeli extermination.

To understand Israel and the road ahead, first read history. Then buy a map.

The New York Times.

After the Cold War: A Benign World Order Isn't Guaranteed

By Dimitri K. Simes

WASHINGTON — Even before the Cold War came to an end, new challenges to the West were looming on the horizon. The simultaneous erosion of old alliances, the rise of nationalist sentiments, deepening economic disagreements between advanced nations, mounting economic failures in the Third World and proliferation of sophisticated weapons to many volatile areas hardly assure a smooth ride to a better tomorrow.

The historic failure of communism does not guarantee a benign world order. Some recent pronouncements about democracy being on the march all around the globe could have come straight from President Woodrow Wilson. "I am confident that the nations that have learned the discipline of freedom and that have settled with self-possession of its ordered practice are now about to make conquest of *the world by the sheer power of ex*ample and of friendly helpfulness," he predicted in October 1918. In the light of the tragic events of the 20th century, repeating this kind of naïveté today should be considered outside the bounds of rational thought.

What is needed is imaginative *thinking about the implications of the* declining Soviet threat. In the new international environment, it is no longer necessary, nor can Americans afford, to let the Soviet factor disproportionately influence how the United States structures its forces, how it organizes its alliances, how it distributes economic assistance and how it reacts to any development in the world.

New challenges are interconnected and reinforce each other. One difficulty that will have a major impact on all other aspects of U.S. international activities is the erosion of NATO.

The alliance was never good at addressing anything but the Soviet threat in Europe. The unifying role of this threat helped Western nations to overcome many economic and national differences in the name of common security. With both NATO and the Warsaw Pact increasingly in disarray, there is danger of political fragmentation on both sides of the great European divide. The fact that currently the two most highly charged conflicts in Europe are among allies — Turkey and Greece in NATO, and Hungary and Romania in the Warsaw Pact — may be a sign of things to come. A re-emergence of the German unification issue may be another explosive side effect of the collapse of Cold War discipline.

Outside Europe the allies rarely worked in concert. Many NATO members failed to support Washington in crisis situations, ranging from Vietnam to the Arab-Israeli wars and the raid on Libya. The United States, *for a variety of moral and pragmatic* reasons, did little for its allies when they were fighting the onslaught to their colonial empires. In 1956 during the Suez crisis the United States was squarely on the side of Egypt against Britain and France.

It is from the Third World that *threats to U.S. security and prosperity* come. With the exception of East Asia, most developing countries are economic basket cases. Their newly discovered fascination with market mechanisms is greatly constrained by an astronomic debt that approaches $1,336.6 billion. Local rulers frequently use the West as a convenient scapegoat for their countries' failures. The pains of modernization make the sense of resentment more intense.

These anti-Western animosities are increasingly backed by powerful military arsenals. Unscrupulous regimes such as those in North Korea, Iran, Iraq, Libya and Syria either already have a combination of chemical weapons and ballistic missiles or are quickly moving to obtain them. A number of them continue to pursue the capability to produce nuclear weapons.

Conventional armories of a growing number of Third World regimes boast some highly sophisticated weapons. Both Libya and Syria have received from Moscow modern MiG-29 fighters and T-72 tanks. The quantity of weapons in Third World hands is staggering. Iraq, for example, has 4,500 main battle tanks — almost twice as many as Britain and France combined and just a little less than West Germany, which boasts the largest tank force in NATO with the exception of the United States.

Third World economic and security dilemmas require urgent consultations with U.S. allies and with the Soviet Union. But the United States cannot realistically expect that Moscow will be as potent a partner as it was a formidable rival. Besieged by its own economic difficulties, the Soviet Union cannot be of much help to others. Also, Soviet interests in the world economy are different from American interests. In terms of its export-import structure the U.S.S.R. is very much a *Third World country.* And since the Soviet superpower status is based primarily on offering security assistance to all kinds of unsavory regimes, waiting for the Kremlin to share the American perspective on Third World dangers would be an illusion. Mikhail Gorbachev's recent embrace of *Iran should* remind us of that much.

In the long run, once current regional disputes to which the U.S.S.R. is a party are settled, Moscow may be more useful to the United States in the Third World through omission rather than commission.

Absent the prospect of Soviet advances, the United States may well decide that some troubled regions are not worth the costs of involvement and should be left to their own devices.

The reduction of the Soviet threat allows the United States to change force posture to emphasize mobility and effectiveness outside the Europe*an theater.* That *means* a lower priority for intercontinental ballistic missiles, for which there are simply no appropriate targets outside the Soviet Union, and for heavy tanks and huge attack helicopters, unsuitable for most Third World contingencies. It means reversing the decision to kill the marines' Osprey V-22 aircraft designed precisely with those contingencies in mind. The navy needs more conventional-warhead cruise missiles, ideal for attacking enemy targets without either U.S. losses or unacceptable collateral damage to local civilians. Advanced, highly usable weapons of that kind, rather than nuclear missiles, provide the United States a realistic military edge where it counts.

There is no need to get nostalgic for the cruel clarity of the Cold War. But in order to avoid ever having to think about it as the good old days, a lot of courage, creativity and determination on the part of the United States in shaping a new world is indispensable.

The writer is director of the U.S.-Soviet Project at the Carnegie Endowment for International Peace. He contributed this to The Washington Post.

100, 75 AND 50 YEARS AGO

1889: War Over Canal?

NEW YORK — A possible war between Costa Rica and Nicaragua over the proposed canal is now attracting attention. The war party now in control in the former state urges an immediate invasion of Nicaragua. The canal issue was amicably arranged with President Soto. The Costa Ricans got all they asked for in a certain number of shares and stocks and representation on the board of directors. Everybody was satisfied, and the engineers had begun to lay out the route, but President Soto has disappeared and another faction, under the lead of Esquivel, has control of affairs. They gravely propose to repudiate all arrangements heretofore made and to stipulate new terms on which the canal will be permitted to pass along the border of their territory.

1914: Wilson's Speech

PHILADELPHIA — President Wilson, giving an address [on July 4] before an immense crowd on the site of the signing of the Declaration of Independence, urged that the use of independence and national power was not for aggrandisement and material benefit. "I am willing to get anything for an American that money can buy, *except the rights of other* men," he said. Mr. Wilson urged greater consideration for the struggling Mexican masses and deplored the property losses in Mexico.

1939: A New Vaccine

PARIS — After more than 141 years of research, smallpox vaccination has now reached practical perfection, Dr. Harry Plotz, laboratory chief of the Pasteur Institute, told the Academie de Médecine yesterday [July 4]. The new vaccine is the result of two years of research by the Pasteur Institute during which time more than 50,000 French colonial subjects and soldiers in the French Army have been vaccinated with various forms of the new smallpox culture, he said.

OPINION

Abortion: Now Let's Have A 50-State Row Over This

By George F. Will

WASHINGTON — Since the emphatic and supposedly definitive and argument-ending Supreme Court ruling on abortion in 1973, abortion rulings have flowed from the court like water from a fountain. It was inevitable that this would be so, although a majority of the justices may not have understood this. It was inevitable for cultural, constitutional and scientific reasons, and because a Supreme Court ruling can be emphatic yet pregnant with trouble.

The ruling on Monday may seem anticlimactic. Actually, it may be pre-climactic. It did not reach, because it was not necessary for the purpose of ruling in this case, the heart of the 1973 decision. But Monday's ruling increases the odds that the court one day will reach it in a case generated by this one.

Monday's ruling will fuel the dynamic of litigation — the dialectic of litigation-legislation-litigation that the Supreme Court let loose in 1973. By significantly enlarging the scope for state regulation of abortion, the decision turns 50 state legislatures into laboratories for testing the blurry and evolving limits. This testing will generate a gusher of cases for the court. In one of them, the court (or the court with a one-ninth change in its composition) may reach, and remove, the heart of the 1973 ruling.

That heart is the assertion that the right to an abortion is an aspect of the constitutional right to "privacy" which, although nowhere mentioned in the Constitution, has been located by various justices in the "penumbra" of other rights.

The 1973 decision was provocative because it was extreme and incoherent. The extremism was in the flat assertion that at no point is a fetus a "person in the whole sense." The incoherence was in the emphasis on the trimesters of gestation. This grounded the review of abortion regulations not in constitutional law but in medical findings, or, more precisely, in judges' understandings of those evolving findings.

(The court said that in the third trimester a fetus can live a "meaningful" life outside the womb. The court did not reveal its criteria of meaningfulness.)

For 16 years American politics has been convulsed by the wrong controversy, about when "life" begins. (As though the court could tell when "meaningful" life, but not life, begins.) In every abortion, something living is killed. The right controversy, which is philosophical but to which science can contribute, is this:

What is the meaning of "individual" and when in the continuum that begins with conception is there an individual owed the protections associated with the status of person?

As the justices trek off to vacation, they should take with them "Science and the Unborn" by Clifford Grobstein, professor emeritus of biological science and public policy at the University of California in San Diego. It is not your basic beach book, but it is a lucid guide to reasoning about how to assign status to a fetus.

He identifies six aspects of individuality; there are progressive levels of complexity, arising separately and gradually and culminating in psychic and social individuality. Such analysis is not sufficient to generate public policy (neither it nor constitutional law can supplant philosophy), but it is necessary.

Live by the sword, die by it. Pro-abortion forces who have lived by the court are now dying a death of a thousand cuts at the hands of the court. It is cynical, crackpot "realism" to say that the court follows the election returns, but it is simple civics to note that the court is slowly shaped by the results of presidential elections. Recent elections have been influenced by the provocation of pro-abortion groups that energized an anti-abortion constituency.

It was provocative enough that pro-abortion forces used judicial fiat as a scythe in 1973 to mow down the abortion laws of 50 states. They should have practiced the patience of democracy, arguing their case in legislatures, where they had been succeeding.

Fourteen states with 41 percent of the population had liberalized abortion laws before 1973. Since then, pro-abortion forces, including some on the Supreme Court, have been imprudently provocative and overreaching in rulings which have held, for example, that almost any parental involvement in or delaying of an abortion decision is an unconstitutional burden on the right.

On the other hand, the Republican Party has prospered by harnessing the small but intense anti-abortion constituency. The party could be crushed if the court's 1973 ruling is overturned and the party finds itself committed, as it is today, flatly against a right — fairly free access to early abortions — that a substantial majority of Americans endorse.

By turning up the temperature in the abortion argument, Monday's decision makes trouble for George Bush, who deserves it. His smarmy pandering to the passions of the moment regarding flag burning — a constitutional amendment to stop what hardly ever happens — will cause the right-to-life movement to clamor for similar exhibitionism on behalf of their amendment. They will tell the First Opportunist that there are few flag burnings a year but thousands of abortions every day.

Let us hope that the court soon drives out of the intellectual cul-de-sac it took a wrong turn into in 1973. It should restore to the states the right to regulate abortions. Let's have a 50-state row over this, remembering (it seems to slip some judicial minds) that democracy is as American as French toast and English muffins.

Washington Post Writers Group.

Soggy Socks, Bathtub Orgy And a Word About Strikes

By Rebecca Bouygues

PARIS — Right now it is Londoners' turn to put up with disrupted commuter and underground train service, but Parisians, too, had yet another rash of stoppages a few weeks ago. That brought back memories. Some people strike, some people don't.

It was last fall and Paris was a mess. No mail. You couldn't get to work on time, and when the day was over you spent hours fighting the traffic.

MEANWHILE

□

At five o'clock one afternoon I pick up three children of mine and a neighbor's child. We walk to the car in a drenching downpour. I turn the key to find the battery dead. How am I going to get these kids home? On a normal day we could walk a few blocks to the Métro station, change trains twice and be home in an hour. Not much fun with four children in tow. Anyhow, the Métro is on strike.

I try calling the mother of the girl who is with me. Busy. I call six taxi companies. Some don't answer; others keep me on the line with irritating music. When a man finally answers, he says the traffic is so bad he can't pick us up. After an hour of running back and forth between the phone booth and the car to check on the children, I am soaked; I curse myself for not having worn rubber boots. The children are wet and dirty because they keep jumping out of the car to play.

It is now six o'clock and I have only enough money to call my husband and hope that his all-day meeting with the directors of his company is over. Yes, and he promises to come right away, a 10-minute drive on an ordinary day.

I sit in the car trying to warm up my feet as the children climb across me, fighting and whining that they are hungry. At 7:30 my husband arrives.

He keeps our son with him while I use his company car to take the girls home. I run into the apartment, make a thermos of hot chocolate, grab some bread, pick up dry socks and boots and instruct our daughters (aged 6 and 10) to take a warm bath, put on their nightclothes and eat something. Back to my husband and son, who have taken the battery out.

They put on their boots and drink the hot chocolate, and we go off in search of a new battery. We have to get the car running tonight because the strike will still be on tomorrow. We try two service stations. We find a battery at a big supermarket. It is now 9:30 and we are sick of this whole adventure. My husband sloshes battery acid onto our boots.

We arrive home after 10 and find that the two girls have had a primary-school version of a Roman orgy. They let the bathtub and sink overflow and soaked all the towels and clean laundry. We mop up. When I let the water out of the tub I find two spoons, four yogurt cartons and an empty package of cookies. They have smashed wet cookies and thrown them onto the wall. True, they have taken a bath and eaten something, as instructed.

□

Even then, I knew that of course I couldn't blame all my troubles that evening on the strike. The thought occurred all the same: Parents don't strike.

A few days later I looked down at my boots and saw that the finish was peeling off because of the battery acid.

International Herald Tribune.

LETTERS TO THE EDITOR

A Poet Held in Vietnam

In response to the editorial "The Refugee Challenge" (June 24) and recent reports:

It would help to install the Socialist Republic of Vietnam as a respected member of the society of nations if its many thousands of prisoners incarcerated decades ago for political reasons were released. This would serve to encourage its other citizens to remain and work for the common good.

In particular, such a course could be exemplified by the release of the internationally acclaimed poet Nguyen Chi Thien, who was imprisoned in 1958 for the "crime" of trying to start a literary magazine, and who has spent most of his life since then in prisons and re-education camps.

NANCY ARMSTRONG.
Hamburg.

The editorial refers to Hong Kong as being under an expiring lease. Hong Kong, then a barren island, was ceded to Britain in perpetuity in 1842. The expiring lease concerns the New Territories, which are partly on the mainland.

C. D. HOWARD-JOHNSTON.
Paris.

Reagan's Line, and Deng's

Ronald Reagan blames the U.S. Communist Party for the demonstrations in America against the Vietnam War *("A Reagan View of U.S. and Chinese Protesters," June 17)*. He contends that members of the party kept "the disturbances going, made sure that the trouble continued." This is the same simplistic explanation that is now used by Beijing in blaming a small minority of "counterrevolutionary hooligans" for the uprising there.

The U.S. anti-war movement of the 1960s and the pro-democracy movement in China both had wide popular support. Mr. Reagan and Deng Xiaoping need a lesson in political logic.

LEONORE SUHL.
London.

Bush and Friends in China

Regarding the opinion column "Bush and China: When Friendship Isn't Enough" (June 28) by David S. Broder:

The novelist and Nobel laureate Gabriel Garcia Márquez is a friend of the notorious Fidel Castro. One might accept such a thing of a writer, but hardly of a U.S. president. If George Bush allows sentiment about his many friends in China to affect his judgment on policy, then he should not be in politics.

ANNA JAROTA.
Nogent-sur-Marne, France.

Public Safety Comes First

Regarding the opinion column "A Harsh Reading of the Constitution" (June 28) by Tom Wicker:

How can the writer show such disregard for public safety? If the U.S. Supreme Court were to make it more difficult to rid society of those who commit brutal crimes, there would be a substantial increase in the number of those offenders who were returned to society and repeated their crimes.

As for executing teen-agers, I would be relieved to know that animals such as those who committed the rape and beating of the woman in Central Park last spring were removed from society. Perhaps men may not realize the fear this type of incident instills in women.

Freedom to commit crimes and get away with them is not something America should boast about.

MARGARET A. DE CHANT.
Tokyo.

What Are Winners to Do?

Regarding "Now It's Time for the House to Get On With Reforms" (Opinion, June 22):

David S. Broder seems to feel there is something wrong with the fact that members of the same political party keep getting elected to the U.S. House of Representatives. He says the House should "reform" itself by enhancing "competition for House seats" and helping "challengers and voters hold the incumbents to account."

Elections for the House are held every two years. Should the party that tends to win these elections stand down? Should House members of the majority party tell the electorate to vote for someone else because it doesn't seem fair that the same folks keep getting elected?

Mr. Broder then compares the Conservative Party's control of Parliament with the Democratic Party's control of the House. The split opposition to Prime Minister Margaret Thatcher's Conservative Party consistently receives more votes than do the Conservatives. No wonder he can "sense the growing restiveness in the [British] electorate." Most of them vote for someone other than those who govern them. The only people growing restive with the U.S. House are the Republicans, who keep losing.

BRAD WRIGHT.
Saint-Germain-en-Laye, France.

Drugs: For a Cease-Fire

The only results of U.S. military operations against drug traffickers will be the establishment of new and more costly supply routes and a big rise in the price of illegal drugs. Thus addicts will need more money. They will have to work harder at crime and at turning more people into drug users.

Legalization and the establishment of free injection and treatment centers is the only answer. Not many addicts will be rehabilitated, but at least addicts will leave the rest of society alone. Addiction is not a crime; it is a disease. Fire the drug czar. All America needs to treat this problem is the surgeon general.

WILLIAM KONIGSBERGER.
Genolier, Switzerland.

A Different Witch-Hunt

Regarding "Robeson: The Tragedy of a Would-Be Messiah," Weekend, June 23:

Thomas Quinn Curtiss errs when he says that Senator Joseph McCarthy instigated "a witch-hunt to discover whether Charlie Chaplin and other Hollywood stars were endangering American civilization." Others started that witch-hunt; McCarthy's scam, equally pernicious, was "communism in government."

Paul Robeson's autobiography, "Here I Stand," foretells what happened to him. He was not obsessed with the idea of being a messiah. It was a yearning for freedom, as expressed in "Ol' Man River" and "The House I Live In," that motivated him. His loss of hope accounts for his sad last years.

MORTON PUNER.
Saint-Tropez, France.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

The Secretive Sandinista Front: It's Like a Society Apart From Other Nicaraguans

By Julia Preston
Washington Post Service

MANAGUA — At a closed meeting of the top militants of the Sandinista party in May, President Daniel Ortega Saavedra and Vice President Sergio Ramírez Mercado were chosen by acclamation to run again for their posts in national elections next February. But the Sandinistas decided to keep the slate to themselves.

That is how it has remained. Even today, Nicaraguans are not sure of the Sandinista candidates — and the likely national leaders for the next six years.

The Sandinistas will release the news when they choose to inaugurate their campaign.

In its role as ruling party, the Sandinista National Liberation Front has made every significant government decision for a decade. Behind the scenes, the Sandinista front is like a secret society, standing apart from and often above other Nicaraguans.

The 37,500-member Sandinista front, which celebrates its 10th anniversary in power on July 19, is Nicaragua's new elite political caste.

Last of two articles

Although they live in a relatively intimate society of only three million people, Sandinistas tend to work and socialize among themselves.

They share a caustic leftist jargon and a messianic conviction that they are chosen by history to deliver Nicaragua from a humiliating century-long bondage to the United States.

"More than a party, it's a monastic cloister," observed Emilio Zambrana, editor of the independent weekly newspaper La Cronica.

All Sandinistas have military training and most have been in military actions against either the forces of the toppled dictator, Anastasio Somoza, or the U.S.-backed rebels known as contras. They remain prepared to go to war again. They live on the edge, feeling that at any moment they may be called upon to make any sacrifice for their cause.

"I don't count on living to see my dreams realized; I know I could die at any time," said a Sandinista militant who hopes Nicaragua will become a model socialist state.

The political party of the Sandinistas, like their ideology, is both romantic and ruthless.

It has an authoritarian Marxist structure invented by the cocksure rebelliousness of the young Nicaraguans, now in their early 40s, who forged the Sandinista front from the scruffy guerrilla army that drove out Mr. Somoza in 1979.

The Sandinista front's highest authority is the Directorate, made up of nine comandantes. Weekly meetings to review all national policies are secret, and only a handful of nonmembers — including a former Cuban ambassador to Nicaragua, Vice President Ramírez and the American legal adviser, Paul Reichler — are known to have attended.

From the Directorate the word goes down through the party base committees, unions and media.

The Directorate consults with a 103-member assembly of top Sandinistas who are named by the comandantes from an echelon of members called militants, who have proven their commitment over time in many duties. The party also includes basic members and aspirants seeking admission.

Recruiting boomed in the first years of the revolution but Sandinista officials acknowledge that it has dropped off in recent years.

Today, the key institution for supplying a new generation of Sandinistas is the army. Since the draft was implemented in 1984, about 100,000 Nicaraguan youths have shouldered AK-47 assault rifles to do two years of compulsory service.

The defense minister, General Humberto Ortega Saavedra, along with his general staff and virtually all his field commanders are Sandinistas. Every army unit has a Sandinista Youth chapter, and junior officers are normally Sandinista Youth members. The Sandinista Youth organization enforces discipline.

'The Sandinista National Liberation Front is . . . the architect of its social progress.'
Manual for the Nicaraguan Army

During 1988 peace talks, political leaders of the contra rebels charged that the army had become the military wing of the Sandinista front. General Ortega, the president's brother, said he had initiated efforts to depoliticize his troops.

The army's political section, however, publishes a manual titled "Political Preparation 1989," which is required study for every noncommissioned officer and recruit.

"The Sandinista National Liberation Front is the principal party in Nicaragua, the force that guides and educates Nicaraguan society and the architect of its social progress," the manual says in a chapter on the political parties and the scheduled elections.

By contrast, the booklet tells the recruits that the Democratic Coordinating Group, the main opposition coalition, is "an economic elite that is radically opposed to our revolution and defends the imperialist project to destroy it." The Conservative Party, one of the largest opposition parties, is said to have a "treacherous sell-out attitude."

The Christian Democratic parties, which consistently opposed U.S. military aid to the contras, are called "ultraright, counterrevolutionary and openly identified with the U.S. aggression."

The Sandinista front requires surprisingly little standard indoctrination. Only the sparse writings of Augusto César Sandino, the nationalist hero who gives the movement its name, and the turgid cant of the founder Carlos Fonseca are obligatory.

Erick Aguirre, a former lieutenant in the police and intelligence agency, resigned his Sandinista front membership in 1986. In an interview he explained: "I was a militant in a party over which I had absolutely no influence. I didn't think it was my role in life to go to an endless series of useless meetings."

As the contra war has faded since mid-1988, the Sandinista front's rigid hierarchy has became a cause of ferment within the party.

During the war, public dissent among Sandinista front members was unacceptable. One prominent Sandinista militant, the radio journalist Carlos Guadamuz, was demoted from his post in the Assembly for differing on the air with Interior Minister Tomás Borge Martínez over a detail of Sandinista history.

As Nicaragua has returned to a semblance of peace, the limits of dissent have broadened.

In April, Omar Cabezas, a gregarious Sandinista front guerrilla veteran who now heads the Sandinista community movement, told the El Nuevo Diario newspaper that a state-owned company was selling milk contaminated with bacteria. Faced with enraged consumers, the Directorate issued a rare communiqué that the Sandinista front "did not support" Mr. Cabezas's revelations.

Mr. Cabezas just laughed it off. "Man, that didn't hurt me at all. In fact, it just added to the credibility of the community movement," he said in an interview.

The Directorate finally arranged for his group to receive clean milk.

For many rural villagers, the Sandinista front brought the rule by fiat of young, tough militants who were slow to resolve workaday problems of small-town life but quick to condemn doubting peasants as contras and CIA spies. At least 7,000 peasant farmers passed through Sandinista jails on suspicion of being contras, and the majority of 20,000 Nicaraguans who joined the contras were the poorest of peasants.

The Sandinista front provides some of its clan with material benefits outsiders cannot enjoy.

In Managua, Sandinista front members shop at separate department stores and gas stations. The party helps members get medical treatment in Cuba and take vacations on the Black Sea. For ranking officials it maintains lovely weekend retreats on Nicaraguan beaches.

Government and party resources overlap. On the books, government ministers are paid the equivalent of no more than $50 a month, but their expenses are covered from state budgets. They ride in state cars. The Agrarian Reform Ministry built a sports club for its Sandinista staff.

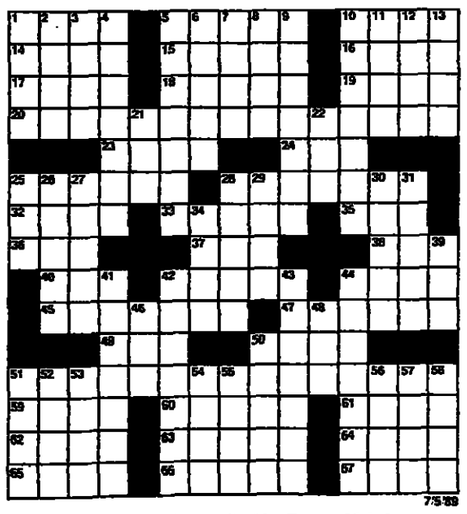
Meanwhile, economic measures have reduced other Nicaraguans to bare subsistence. Even many thousands of committed Sandinistas live in destitution.

Verónica Jimenez, 27, has responded to every demand the Sandinista front made.

"I never said no," she said of her combat performance as a guerrilla in 1979. In 1982 she fought in malarial swamps against the first bands of contras. She helped string the first telephone line across Nicaragua, braving contra ambushes. She has been repeatedly named "most exceptional worker" by the Sandinista front committee at her job.

After a decade of this dedication, she is being paid the equivalent of $12 a month working a midnight-to-dawn shift as a phone operator. She said she sleeps in brief fits in order to care for her three children. Her teeth need repair.

"Getting rid of Somoza was easy," she said. "Every year since then has been so hard. I'm a Sandinista, but I'm not a romantic. I just hope we don't lose the government."



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ACROSS

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10 Sunbathers' aims
14 Sharpen
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18 Having an edge in experience
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20 George H. Ruth
23 Sale words
24 Goofball
25 Kind of mask or tent
28 Ramble, stray
32 Unshackle
33 Dixie side dish
35 Pi follower
36 Gaelic cap
37 Washington note
38 Ship's tail
40 Popular shrub
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7/5/89

Solution to Previous Puzzle

J	U	L	Y	4		B	A	N	G		1	7	7	6
A	R	I	E	S		A	B	O	O		S	A	M	E
I	S	A	A	C		R	I	D	E		I	G	O	R
N	A	R	R	O	W	N	E	S	S		D	E	P	S
			R	O	S	S		B	L	E	S	S		
G	O	F	F	E	R		D	Y	E	D				
A	M	E	R		S	O	A	R		U	N	A	P	T
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	P	E	T	R	O		L	I	E	N				
O	R	A	L		C	H	E	R	R	Y	B	O	M	B
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A	C	E	S		E	B	O	N		A	R	E	N	A
L	E	S	T		T	O	N	Y		Y	E	A	S	T

El Salvador Proposes Tighter Reins on Dissent

By Lindsey Gruson
New York Times Service

SAN SALVADOR — In its first major legislative initiative, El Salvador's month-old rightist government has introduced broad legal measures that would crack down on dissent and peaceful means of protest.

If approved by the government-controlled legislature, the changes would make it a crime, punishable by a long prison term, to lobby international organizations to denounce human rights violations, or to possess or distribute information that "subverts the public order."

The proposed changes would also outlaw many forms of nonviolent protest and "acts that affect" international relations.

Critics have charged that the legislation could be used to imprison journalists who criticize the government or report on the anti-government rebels as well as to stop sit-down strikes and peaceful demonstrations.

Although not directly comparable, the measures appear broader and more restrictive than internationally condemned curbs imposed on the press and the opposition by the governments of South Africa and Nicaragua, said Joel Solomon, an associate with the New York-based Committee to Protect Journalists, a nonprofit press advocacy group that has protested the legislation.

The package has added to evidence that the government of President Alfredo Cristiani is controlled by rightist extremists, who hold major posts in the internal security apparatus, and has deepened doubts about its commitment to democracy. Critics said the legislation would give new legitimacy to the rebels.

Whether the administration will push the changes through the legislature remains unclear. Some officials said they were not dead set against some changes. But the measures appear to have the support of hard-liners.

Officials of the governing Republican Nationalist Alliance, known as Arena, which introduced the package of proposed changes into the legislature last month, said they were needed to stop rising crime and guerrilla terrorism.

In the preamble to the legislation, the government said the changes were needed to combat "frequent acts of barbaric terrorism, especially the assassination of distinguished citizens, that are driving El Salvador into chaos in an attempt to install a totalitarian system against our democratic calling."

But the legislation has been denounced as an undemocratic attempt to prevent leftist organizing and to muzzle all criticism of the party, which includes some of the country's most extreme rightists.

"The new anti-terrorist legislation is a fascist project," the Christian Democratic Party said last week.

Dr. Segundo Montes, director of the Institute of Human Rights and the Political Science Department at the University of Central America in San Salvador, said, "I think Arena has a project of repression. They know they can't apply the rampant repression of the 1980s. Since they can't do it in a bestial way, they do it in a legal way. And to do it in a legal way, they need a new instrument."

The U.S. ambassador, William J. Walker, said Mr. Cristiani had assured him that the government had "no intention to muzzle the press" and that "freedom of the press would reign here."

Western legal scholars note that some parts of the legislation to which the critics object are already on the books and that the package of proposals merely rewords the laws and increases the penalties.

The rebel cause has been undermined in recent years by a gradual drop in the harshest forms of repression and a steady increase in the tolerance for dissent. Despite some recalcitrance, rightist leaders, who in the past used death squads to settle arguments, have allowed leftist politicians to return from exile and now debate their ideological rivals on television.

ARTS / LEISURE

Italy, a Fashion Wolf in Sheep's Clothing

By Suzy Menkes
International Herald Tribune

MILAN — A ravenous wolf devouring a sheep appeared in Moschino's men's show Tuesday, as a striking embroidery on the back of the plainest cream silk shirt.

Italy's menswear business is a wolf in sheep's clothing. It may sometimes look quiet and innocent, but it always has fashion bite — in its fresh colors, its cunning fabrics or witty ways with classics.

As the new menswear season for spring/summer 1990 opens, Italian designers are also wolves hunting for new clients and markets.

The big news in Milan is the second lines from the big designers. Thursday Gianni Versace launches his new Versus line, aimed at bringing the high fashion image, shown Monday night, to a wider audience.

"This is my look," announced Versace of his grass green knitted vest over a colorfully striped shirt. "I'm so tired of the tie. I think I must do something to change it before the end of the decade. I'm bored with the jacket, too. I believe in the cardigan."

Those were twin themes that came up in the show, which was a parade of twins — all starring in Versace's new campaign by the American photographer Bruce Weber.

The show started with the couture line — a favorite with the rock star Elton John, who was the show's guest of honor.

Zingy colors — green, purple, aqua, shrimp and melon — and striking tribal African prints opened the ready-to-wear line. Special fabric effects included linen

MILAN MENSWEAR

rainbow-shaded for classic suits and some fancy metal fringing.

On the shop front, Versace Tuesday opened a new store in Milan's Via Monte Napoleone, with a sixth-floor emporium to follow in Tokyo in mid-September. He is also working on a slew of stage costumes from a new "Swan Lake" in Russia to a David Bowie tour.

"It enlarges my vision," said Versace, adding that patterned sweaters in acid colors were inspired by German Expressionist paintings he studied while costuming "Faust" at La Scala.

Giorgio Armani said Tuesday that his printed shirts and denims for the ever-expanding Emporio line were taken from a book about Moroccan ceramics. Bali is a farther-flung source of inspiration, with Indonesian tigers leaping across the knees of jeans and color spicing up Armani's usually quiet palate.

"It is easy for people to see the new color and print in the holiday clothes," said Armani. "You have to know a lot about cut to understand my new jacket, with its fall-away shoulder, longer line and high three-buttons.

Emporio Armani, the first of the lower-priced designer lines, has been colonizing Europe, Asia and the United States (where a New York store opened in March). It will be launched in Paris in January at the Place Vendôme.

The expansion of Italian menswear is not just into new ranges, but also geographically to wider markets. Krizia Uomo, the menswear line in only its third season, expects sales of 20 billion lire (about $14 million) for 1990. A mushroom-growth of 15 menswear boutiques will sprout in Japan by the end of August, set up by Sanyo Shokay, who will distribute the lower priced K of Krizia line.

Spicy Indian colors, batik prints and a raw Indian silk made into soft ankle-tie pants gave just the right touch of ethnic fashion to Krizia Uomo, with the endangered elephant the animal motif of the season. Krizia, whose fortunes were founded on knitwear, is now making its own men's knits. Blends of cotton, viscose and silk, in warm shades of brown through beige, were some of the 100-plus different fabrics used for the collection.

Color is the big story in all the shows presented as still lifes rather than on the runway. Basile showed sea-shore greens with shrimp pink and spice browns, for clothes with some fine decoration. Laura Biagiotti had soft browns and greiges, set against a painted backcloth of

Christopher Moore

Versace's African tribal-print shirt; Armani's green polka-dot knit worn over a loose shirt.

Italian street life. She announced that these were clothes for "normal men."

Rosita Missoni had knits showing scenes of Venice, jacquard designs blown up from a stencil, and the mix of color and pattern for which the Missonis are famed. "I think it's a very nice technical and artistic achievement," she said.

Moschino let his clothes speak for him, in his refreshing show, which had whacky prints of Y-fronts on underpants, tape measures on pants, fried eggs on shirts and lively gingham checked shirts and striped pants.

Linda Hopler, vice president and men's fashion director for Saks Fifth Avenue, is in town, like many of the pros, after a weekend trip to the menswear shows in Florence.

"It is just so exciting to see all these Moroccan colors — rust, olive, mustard, shrimp," she said. "Versace was exceptional as a fashion statement, he has a lot of style. My concern is what the prices are going to be like. We have to be judicious in what we select and make sure it is very special."

This is the point of the new second-tier lines — that they offer buyers and public a chance to buy designer style at more affordable prices.

ADVERTISEMENT

INTERNATIONAL FUNDS — July 4, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

Fund	Currency	Value
AL-MAL GROUP		
(w) Al-Mal Trust, S.A.	$	295.61
(r) Managed Currency	$	889.18
(w) Equity	$	938.94
(w) Bond	$	969.10
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	605.39
(w) Nicholas-Applegate Aurelia.	$	129.29
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	943.00
(d) Conbar	SF	1809.00
(d) Equibaer America	$	1627.00
(d) Equibaer Europe	SF	1570.00*
(d) Equibaer Pacific	SF	1611.00*
(d) Stockbar	SF	2160.00
(d) SFR-BAER	SF	981.00*
(d) Swissbar	SF	2478.00
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,339.09
(r) Multicurrency Ecu	ECU	1,159.52
(r) Multicurrency Yen	Y	247,182.00
(r) Multicurrency FFR	FF	11,428.53
BNP INTERFUNDS		
(w) Interbond Fund	$	190.38
(w) Intercurrency US$	$	10.72
(w) Intercurrency DM	DM	38.41
(w) Intercurrency Sterling	£	10.52
(w) Intercurrency Managed	$	10.55
(w) Interequity French Offer	$	14.05
(w) Interequity Pacific Offer	$	18.58
(w) Interequity N. Amer. Offer.	$	12.66
(w) Interequity European Class	$	8.56
(w) Interequity Australia Cls.	$	9.72
(w) Interlux Capital Belgian	LF	57,080.00
(w) Interlux Cap.Fr Securite	FF	11,369.65
(w) Interlux Capital FFr	FF	13,283.60
(w) Interlux Cap.France Cap.	FF	11,084.21
(w) Interlux Cap. LUF/BEF	LF	168,376.00
(w) Interlux Capital ECU	ECU	1,263.28
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.43
(w) Int'l Bond Fund (Sicav)	$	10.07
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	28.83
(w) Asian Income Fund	$	9.17*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	17.82
(w) FIF-Internat. Div.B	$	16.53
(w) FIF Internat.America	$	15.74
(w) FIF Internat.Pacific	$	42.12
(w) FIF Internat.Europe	$	27.47
(w) FIF Internat.Japan	Y	1,202.00
(w) FIF Int. Nat. Res. A	$	10.87
(w) FIF Int. Nat. Res. B	$	10.87
(w) France Blue chips No 1	FF	115,330.53
(w) Indosuez Multibonds Div.A	$	132.05
(w) Indosuez Multibonds Div.B	$	276.96
(w) France International	FF	101.47
(w) Indosuez Multibonds US$	$	109.26
(w) Indosuez Multibonds YEN	$	9,888.00
(w) Indosuez Multibonds DM	$	103.45
(w) IPNA-3	$	1120.00
(w) Malacca Fund	$	18.86
(w) The Siam Fund	$	17.34
(w) Pacific Gold Fund	$	12.25
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Lcf Equity	$	1015.41
(w) Daiwa Lcf Intl. Bond	$	1083.40
(w) Ecu D'Or	ECU	98.43
(w) Hispano Int'l Fund	ECU	10.08
(b) Pri-Tech	$	1155.14
(b) Source Sicav	$	10.97
BANQUE E. DE ROTHSCHILD LUX, SA		
(b) Curatior BP Fixed Inc.Fund	DM	130.95
(b) Curatior BP General Fund	DM	148.07
(b) Eagle Fund	LF	10452.00
(b) Europe Japan Fund	$	10.03
(b) Governm. Sec. Fund*	$	74.69
(b) Lelcom	$	2568.03
(b) Opportunities Fund	$	822.14
(b) Prifirst	$	505.43
(b) Prirop fund	DM	48.95
(w) Rente Plus	BF	59073.00
(!) Select. Horizon Dev.	FF	52897.12
(!) Select. Horizon FF	FF	54152.25
(b) Star Conv.Fund FL	FL	9883.00
(b) Star Conv.Fund USD	$	99.36
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	82.20*
(w) BSS Intelsec.	SF	1824.03
(w) BSS Int'l Bond	$	1.19*
(w) BSS Int'l Equity	$	2.09*
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1170.86
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	12.35
(d) Non-$ Money Market	DM	30.10
(d) $ Bond	$	13.00
(d) Non-$ Bond	DM	31.31
(w) Global Equity	$	15.78
(w) Global Bond	$	13.83
(w) Global Bond & Equity	$	13.76
(w) Prec. Mets/Min. Secs	$	6.46
B.W MANAGED ASSETS CY. SICAV		
(!) Global Bond Fund	ECU	10.96
(!) European Securities Fund.	ECU	12.77
(!) French Securities Fund	FF	122.58
(!) North American Secs.Fund.	$	10.70
(!) Pacific Basin Secs. Fund	$	9.08
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,624.34
(d) Fructilux-Obl.Euro	ECU	1,045.70
(w) Fructilux-Act.Fses	FF	7,522.74
(w) Fructilux-Act.Euro	ECU	1,222.32
(w) Fructilux-Tresorier	FF	5,642.25
CALLANDER		
(w) Callander Emer. Gr.	$	114.15
(w) Callander Fund-Asset	$	106.05
(w) Callander Fund-Span.	Ptas	10,589
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	87.51*
(w) Capital Italia SA	$	34.22
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	115143.05
(w) CFI Long Terme	FF	113971.85
CIC GROUP		
(d) Obliclc Monetaire	FF	11237.16
(d) Obliclc Court Terme	FF	11577.20
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portefolios	$	1283.48
(d) Citinvest Ecu Income	ECU	1298.28
(d) Citinvest Manag. Growth	$	1146.23
(d) Citi.Mana.Growth Euro	ECU	1021.04
(d) Citinvest Profit Sharing	$	[illegible]
(d) Citinvest Selector	$	845.17
(d) Citinvest Guardian $	$	1042.50
(d) Citinvest Guard. Euro	ECU	1055.11
(d) Citiport N.A Equity	$	131.42
(d) Citiport Jap. Equity	Yen	10846.00
(d) Citiport UK Equity	£	117.44
(d) Citiport S.Asian Eq.	$	119.36
(d) Citiport Cont.Euro. Eq.	ECU	129.38
(d) Citiport N.A.S Bond	$	110.00
(d) Citiport Euro Bond	ECU	102.54
(d) Citiport AS.Pac.Bd.	YEN	10528.00
CITITRUST		
(w) US. $ Equities	$	21.49254
(w) US. $ Bonds	$	11.89244
(w) US. $ Money Market	$	12.30145
(w) Global Equities	$	9.47
(w) Global Money Market	$	11.31
(w) Global Bonds	$	11.21
CCF - GAMMA		
(w) CM Inv.Ser.Fds-Actibonds	$	35.60
(w) CM Inv.Ser.Fds-Glbl.Grth	$	10.91
(w) CM North Amer Grth	$	9.89
(w) Elysees Court Terme	FF	57,798.59
(w) Elysees Long Terme	FF	54,272.86
(w) Elysees Monetaire	FF	58,756.71
(w) Elysees Multibonds Funds	£	106.74
(w) EMF D-Mark (A&B)	DM	1,009.27
(w) EMF Ecu (A & B)	ECU	1,024.02
(w) EMF US Dollar (A & B)	$	1,074.88
(w) EMF Yen (A & B)	YEN	100,177.00
(d) Europe Prestige Fund A	ECU	10.68
(d) Europe Prestige Fund B	ECU	11.25
(w) European Smlr Cos. Fd.A	ecu	13.41
(w) European Smlr Comp.Fd.B	ecu	13.41
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1906.78
(w) C.Rendement US$	$	1405.05
(w) C.Croissance Dollar	$	1446.36
(w) C.Croissance Zone Sterling	£	964.73
(w) C.Croissance Fr.Suisse	SF	2086.04
COMPASS INTL HOLDINGS Ltd.		
POB 453, Jersey 0534 27267		
(w) Bond:Dollar Medium Term	$	11.03
(w) Bond:Ecu Multicurrency.	ECU	10.36
(w) Equity: United Kingdom	£	11.45
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	81.50
(d) Bond Valor Swf	SF	104.05
(d) Bond Valor US-DOLLAR	$	124.52
(d) Bond Valor D-mark	DM	113.01
(d) Bond Valor Yen	Y	10,958.00
(d) Bond Valor £ Sterling	£	100.05
(d) Convert Valor Swf	SF	157.25
(d) Convert Valor US-DOLLR	$	171.69
(d) CSF International	SF	135.75
(d) Actions Suisses	SF	604.00
(d) Europa-Valor	SF	214.25
(d) Energie-Valor	SF	154.50
(d) Canasec	SF	620.00
(d) Ussec	SF	752.00
(d) Pacific-Valor	SF	229.50
(d) CS Gold Valor	$	149.00
(d) CS Ecu Bond A	ECU	101.69
(d) CS Ecu Bond B	ECU	116.50
(d) CS Europa Bond 'A'	DM	248.10
(d) CS Europa Bond 'B'	DM	248.10
(d) CS Gulden Bond A	FL	99.72
(d) CS Gulden Bond B	FL	110.90
(d) CS Prime Bond 'A'	DM	97.47
(d) CS Prime Bond 'B'	DM	103.00
(d) CS Short-T. Bd DM A	DM	100.11
(d) CS Short-T. Bd DM B	DM	110.54
(d) CS Short-T. Bd $ A	$	104.78
(d) CS Short-T. Bd $ B	$	114.01
(d) CS Money Market Fund	$	1402.36
(d) CS Money Market Fund	DM	1219.52
(d) CS Money Market Fund	£	1468.42
(d) CS Money Market Fd Yen	Y	114,975.00
DIT INVESTMENT PFM		
+(d) Concentra	DM	42.17
+(d) Int'l Rentenfond	DM	79.73
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	164.44
(w) Winchester Capital	$	105.87
(w) Winchester Holdings	FF	141.57
(w) Winchester Holdings	$	14.80
(w) Winc.Holdings Ltd.E.B.S	ECU	1170.73
(w) Winc.Reserves.E.B.S	ECU	1124.29
(w) Winc.Reserv.MultiGvBd.	ECU	11.46
(w) Worldwide Securities	$	33.21
(w) Worldwide Special	$	768.73
(m) Winch Fut.Diversified	$	19.17
(m) Winch Fut.Orion Series	$	21.87
(m) Winchester Frontier	$	194.61
(m) Winchester Recovery Ltd	$	97.54
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier;0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d)Inc.: Bid. $ 13.42 Offer.	$	13.832
@(d)Cap.: Bid. $ 19.14 Offer.	$	19.734
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1183
(d) Short Term 'A' (Distr)	$	0.7345
(d) Short Term 'B' (Accum)	$	1.3466
(d) Short Term 'B' (Distr)	$	0.9740
(w) Long Term	$	29.7355
ELDERS SECURITIES INC.		
W. Rafter. (212) 573-0440		
(d) EFF	$	349.23
(d) ESP	$	165.03
(d) EMR	$	181.46
ELDERS SWITZ.(038) 24 77 79		
(w)Elders Intl Bid SF 104.50 Offer	SF	110.75
(w)Elders Aus Bid A$ 90.58 Offer	A$	95.75
EQUIFLEX LIMITED		
(w) Europe A	FL	11.44
(w) Global A	FL	12.23
(w) North America A	FL	10.88
(w) UK Equities	£	10.65
(w) UK Small Co.	£	18.66
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	763.46
(w) Meteore	Y	120,328.00
(w) Pacific Horizon Invt. Fd	$	1758.30
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pountry Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	28.29
(w) F&C European	$	37.12
(w) F&C Oriental	$	63.45
(w) F&C N. American M C Fd	$	9.41
(w) F&C Nordic Fund	$	11.95
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d)New Europe Fund	$	9.89
(d)Fidelity Conv. Sec. Port.	$	9.68
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Vol.II Com.	$	111.15
(m) Fid. Amr.Vol.II Cum.Pref.	$	101.75
(m) Fid. Amer. Vol.III Com.	$	58.22
(m) Fid. Amr.Vol.III Cum Pref.	$	101.90
(d) Fidelity Amer. Assets	$	123.84*
(d) Fidelity Australia Fund	$	15.04
(d) Fidelity Dir. Svgs.Tr.	$	162.94
(d) Fidelity Pacific Fund	$	310.23
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	10.72
(d) Balanced Portfolio-unhedg	$	11.89
(d) Fidelity Discovery Fund	$	16.78
(d) Fidelity Far East Fund.	$	62.60*
(d) Fidelity Frontier Fund	$	21.31
(d) Fidelity Global Ind. Fd	$	12.53
(d) Fidelity Global Selct Fd	$	12.81
(d) Fidelity Int'l. Fund	$	13.46
(d) Fidelity Orient Fund	$	93.91
(d) Fidelity Spcl. Growth Fd.	$	32.37
(d) Fidelity World Fund	$	66.48
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	0.99*
(d) European Portfolio	$	1.52*
(d) Japan Portfolio	$	1.32*
(d) South East Asian Portfolio.	$	0.89*
(d) U.K. Portfolio	£	1.08*
(d) Intl. Bond Portfolio	$	0.95*
(d) Sterling Liquidity Pfl.	£	10.12*
(d) Dollar Liquidity Portfolio.	$	18.89*
FINAFUTURES (BVI) Ltd		
(d) Portafolio Fund-series 1.	$	1.0097
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.52
FORBES PO 887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	47.70
(w) Gold Income	$	4.25
(w) Gold Appreciation	$	3.95
GAIA CURRENCY HEDGE FUNDS		
(w)Gaia Hedge I S $ 87.11* Red	$	84.59
(w)Gaia Hedge II S $ 130.89* Red	$	128.25
GAM ANLAGEFONDS AG.		
POB 164, 2034 Zurich Tel.41-1-2516660		
(w) GAM (CH) America	SF	1191.80
(w) GAM (CH) Mondial	SF	1325.00
(w) GAM (CH) Pacific	SF	2225.00
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.013
(d) US$ Deposit	$	1.030
(d) DM Deposit	DM	5.092
(d) Yen Deposit	Y	505.90
(d) Sw. Fr. Deposit	SF	5.096
(d) Austr.Dollar Dep. fd	A$	1.054
(d) French Franc Deposit fd.	FF	10.26
(d) N. American	$	1.59
(d) Japan	Y	455.00
(d) Pacific Basin	Y	298.00
(d) International growth	£	2.75
(d) British	£	2.18
(d) Sterling Gilt	£	1.05
(d) International Bond	£	1.19
(d) Yen Convertible bond	Y	2880.00
(d) European Fund	DM	5.67
(d) E.C.U. Fund	ECU	0.97
(d) Australasian fund	£	0.32
(d) Canadian fund	Con$	0.93
(d) Emerging Markets Fund	£	1.52
(d) Global Resources Fund	£	8.74
GEFINOR FUNDS		
London:01-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	941.24
(w) Scottish World Fund	£	202.0445
(w) State St. American	$	283.86
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	26.34*
(d) Capital Rentinvest	$	113.81
(d) Rentinbel Distr.	LF	10,011.00*
(d) Rentinbel Cap.	LF	10,530.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St.Douglas,I. of Man.44-624-26037		
(w) Futurgam S.A.	$	173.97
(w) GAM Arbitrage Inc	$	243.54
(w) GAMerica Inc	$	239.87
(w) GAM Australia Inc.	$	133.39
(w) GAM Asean Inc	$	135.34*
(w) GAM Boston Inc	$	148.44
(w) GAM Ermitage	$	26.99
(w) GAM European Inc.	$	105.21
(w) GAM Franc-Val Inc.	SF	244.83
(w) GAM France Inc	FF	1395.15
(w) GAM Global Fund	$	113.58
(w) GAM High Yield Inc.	$	110.07
(w) GAM Hong Kong Inc.	$	172.20*
(w) GAM International Inc.	$	146.69
(w) GAM Japan Inc.	$	382.87
(w) GAM Money Mkts. Fund	$	100.07*
(w) GAM Money Mkts. Fund	£	100.12
(w) GAM Money Mkts. Fund	SF	100.05
(w) GAM Money Mkts. Fund	DM	100.05*
(w) GAM Money Mkts. Fund	Y	10,000.04*
(w) GAM Pacific Basin Fund	$	112.38
(w) GAM Pacific Inc	$	434.81
(w) GAM Restr. Fd. Inc.	$	164.11*
(w) GAM Singapore/Malay Inc.	$	185.83
(w) GAM Swiss Fr Spec Bond Fd	SF	100.82
(w) GAM Value Inc.	$	104.36
(w) GAM Worldwide Inc	$	414.15
(w) GAM Tyche S.A. Class A	$	177.88
(w) GAM U.S. Inc.	$	146.99
(w) GAM Whitehorn Fund Inc.	$	132.71
(w) GAM ut Inc.	$	263.42
(w) GSAM Composite Inc.	$	214.08*
(w) GSAM Int. Inc. U.S Ord.	$	115.57*
(w) GSAM Int. Inc.U.S Spe.	$	125.01*
(w) GSAM Interest Inc.	SF	101.53*
(w) GSAM Interest Inc.	£	102.68*
(w) GSAM Interest Inc.	DM	94.98
(w) GSAM Interest Inc.	Y	12,008.00*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	13.44
(d) G.T. ASEAN Fund	$	41.00
(d) G.T. Asia Fund	$	12.45*
(d) G.T. Australia Fund	$	28.02*
(d) G.T. Berry Japan Fund	$	32.40*
(d) G.T.Biotechn./Health Fund	$	8.66
(d) G.T. Bond Fund	$	14.49*
(d) G.T. Britain Fund	$	8.18
(d) G.T. Deutschland Fund	$	10.97
(d) G.T. Dollar Fund	$	17.57*
(d) G.T. Europe Fund	$	28.54
(w) G.T. Euro. Small Cos. Fund	$	19.45
(d) G.T.Global Small Cos.Fund	$	12.19
(d) G.T.Global Technology Fd	$	14.73*
(d) G.T. Hong Kong Fund	$	20.64*
(d) G.T. Honshu Pathfinder	$	9.88
(d) G.T. Investment Fund	$	10.41
(d) G.T. Japan Sml Co.Fd	$	10.17*
(w) G.T. Nat Res. Fd Gold Class	$	6.23
(d) G.T. Newly Ind. Countr. Fd	$	27.76
(d) G.T. Select Dollar Bd Pfl	$	9.48
(d) G.T. Select Int Bd Pfl.	£	10.07*
(d) G.T. Select Gilt Pfl.	£	8.78*
(r) G.T. Technology Fund	$	38.72
(d) G.T. U.K. Small Companies	$	10.21
(d) G.T. Univ.Growth Fund	$	9.81
(d) G.T. U.S. Small Companies	$	12.10
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.34
(d) CSF (Balanced)	SF	37.22
(d) European Equity Fund	DM	17.55
(d) Intnl. Bond Fund	$	12.76
(d) Int. Currency U.S.Manag'd	$	25.48
(d) ITF Fd (Technology)	$	19.85
(d) O'Seas Fd (N. AMERICA)	$	48.77
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	87.49
(w) Iam Bonds Fund-France	FF	552.59
(w) Iam Bonds Fund-Deutschl	DM	212.92
(w) Iam Bonds Fund-Japan	Y	10,979.00
(w) Iam Bonds Fund-Switz.	FS	208.47
(w) Iam Bonds Fund-U.S.A	$	108.56
(w) Iam Bonds Fund-Europe	ECU	112.29
(w) Iam Bonds Fund-Netherl.	FL	213.26
(w) Iam Europe global	ECU	99.57
(w) Iam Europe luxe	ECU	99.58
(w) Iam Europe 90/10	ECU	99.92
(w) Iam Europe 1992	ECU	100.34
(w) Iam Europe du Sud	ECU	101.12
INTERSELEX GROUP		
(d) Int.America Fund	$	15.60
(d) Int.Belgo Fund	LF	3182.00
(d) Int.Europa Sicav	LF	6436.00
(d) Int.Pacific Fund	$	1213.29*
(d) Int.World Fund	$	93.32*
ISLAMIC MGMT FUND LTD	$	957.73
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	16,235.00
(d) J.F Pacific Sec. Trust	$	25.92
(d) J.F Pacific Income Trust	$	83.06
(d) J.F Hong Kong Trust	$	53.67
(d) J.F European	$	18.20
(d) J.F International	$	13.07
(d) J.F Gib Convertibles Trust	$	11.14
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Bertoletti,(22) 208611/ext. 2222		
+(w)Lloyds Int'l Dollar	$	112.70
+(w)Lloyds Int'l Europe	SF	179.60
+(w)Lloyds Int'l Growth	SF	227.30
+(w)Lloyds Int'l Income	SF	284.50
+(w)Lloyds Int'l N. America	$	147.60*
+(w)Lloyds Int'l Pacific	SF	225.80
+(w)Lloyds Int'l. Smaller Cos	$	17.65
MAN INTERNATIONAL FUTURES		
(m) Alabai Mint Gtd.Fund.Ltd.	$	N/C
(m) Mint Limited - Ordinary	$	41.25
(m) Mint Limited - Income	$	15.31
(m) Mint Gtd Ltd - Spec Issue	$	21.67
(m) Mint Gtd Ltd - Series A	$	20.81
(m) Mint Gtd Ltd - Nov 1990	$	19.20
(m) Mint Gtd Ltd - Jan 1994	$	15.40
(m) Mint Gtd Ltd - Dec 1994	$	13.43
(m) Mint Gtd Ltd - Aug 1995	$	10.98
(m) Flame Mint Gtd Plc	$	118.97
(m) Mint Sp Res Ltd (BNP)	$	106.75
(m) Newcastle Guaranteed Ltd	$	11.29
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.91
(m) U.S Dollar Class	$	9.79
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.52
(d) Global equity Portfolio	$	9.79
(d) Iberia portfolio	$	10.74
(d) Multi-Curr. Bond Portfolio.	$	13.21
(d) U.S.A Income Portfolio	$	9.33
(d) US Federal Securities	$	9.84
(d) World Nat Res Pfl. Share A	$	10.18
(d) World Nat Res Pfl. Share B	$	10.14
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	10.42
(d) Deutschmark Portfolio	DM	10.16
(d) Pound Sterling Portfolion	£	18.27
(d) US Dollar Portfolion	$	10.61
(d) Yen Portfolio	Y	1009.00
MIM BRITANNIA,POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.480*
(d) Dollar Man.Curr	$	14.390*
(d) Dollar Man. Port	$	2.104*
(d) Sterling Man.Port	£	1.810*
(d) Pioneer Markets	£	2.783*
(d) U.K. Growth	£	1.066
(d) Amer. Inc. & Growth	$	1.376*
(d) Gold & Prec. Metals	$	0.949
(d) Sterling Man. Curr.	£	17.470
(d) Japan Dollar Perf. Fd	$	4.118
(d) Jersey Gilt	£	8.1867
(d) Okasan Global Strat	$	16.460
(d) Asia Super Growth Fund	$	11.880
NIMARBEN		
(w) Class A	$	142.46
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	2.82
(w) NMB Dutch Fund	FL	38.00
NOMURA INVEST BANKING (M.E) E.C.		
(d) Nomura Gulf Fund	$	9.85
OBLIFLEX LIMITED		
(w) Multicurrency	$	20.38
(w) Dollar Medium Term	$	14.18
(w) Dollar Long Term	$	15.90
(w) Japanese Yen	$	25.28
(w) Poud Sterling	£	15.24
(w) Deutsche Mark	DM	12.89
(w) Dutch Florin	FL	12.93
(w) Dutch Florin Multi.	FL	16.58
(w) Swiss Franc	SF	11.80
(w) Swiss Multicurrency	SF	12.40
(w) European Currency	ECU	14.08
(w) Convertibles	$	10.82
(w) Swiss Multi-dividend	SF	10.42
PARIBAS-GROUP		
(d) Belux Fund	LF	18,859.00
(d) Cortexa International	$	125.78
(d) Ecupar	ECU	1,355.78
(d) Far East Growth Fund	$	136.73
(d) Luxor	$	8.50
(d) Moneyflow	LF	10,114.00
(d) Parevrope Growth	$	19.86
(d) Parinter Fund	$	213.94
(d) Par US Treas. Bond 'Cl. B'	$	150.11
(d) Europhenix	FF	191.19
(d) Parinter Bond Fund	$	12.25*
(d) Paribas-Rente 'A'	LF	1,301.00
(d) Paribas-Rente 'B'	LF	1,402.00
(w) Obli-Franc	FF	1,199.51
(w) Obli-DM 'A'	DM	1,149.41
(w) Obli-DM 'B'	DM	1,276.97
(w) Obligestion	SF	91.15
(w) Obli-Dollar 'A'	$	1,198.94
(w) Obli-Dollar 'B'	$	1,276.97
(w) Obli-Yen 'A'	Y	108,047.00
(w) Obli-Yen 'B'	Y	114,843.00
(w) Obli-Gulden 'A'	FL	1,052.85
(w) Obli-Gulden 'B'	FL	1,112.19
(w) Parsuisse	SF	1,522.35
(w) Parjapon	Y	3,400.00
PERMAL GROUP		
(m) Drakkar Growth	$	2044.27
(m) Noscal Ltd	$	1280.32
(m) Select Equities Ltd	$	986.32
(m) Special Opportunities Ltd	$	1603.15
(m) Updyke Ltd	$	262.69
(m) Value N.V.	$	2060.55
PIERSON,HELDRING & PIERSON N.V.		
POB 243,1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	25.90
(w) DP Amer. Growth Fd N.V.	$	24.82
(w) DP Energy Resources	$	41.21
(w) Europe Growth Fund N.V.	FL	57.80
(w) Japan Diversified Fund	$	51.97
(w) Leveraged Cap Hold	$	331.97
(w) Tokyo Pac. Hold. N.V.	$	239.84
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	15.43
(d) Putnam Em. Info. Sc. Tr	$	12.79
(d) Putnam Int'l Fund	$	10.47
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	104.40
(d) Rolinco	FL	102.40
(d) Rorento	FL	61.70
(d) Rodamco	FL	156.90
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	175.01
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w)RBC British Fund Ltd.	£	5.82*
+(w)RBC Canadian Fund Ltd	C$	14.85*
+(w)RBC European Fund	$	11.71
+(w)RBC Far East&Pacific Fd.	$	34.84
+(w)RBC Int'l Capital Fd	$	51.33
+(w)RBC Int'l Bond Fund Ltd.	$	12.13
+(d)RBC Mon.Currency Fd	$	38.22
+(w)RBC North Amer. Fd	$	15.47
ROYAL TRUST ASSETMIX FUND		
Lux.Tel.:(352)489061		
EQUITY FUNDS		
(d)Alpha UK	£	1.16
(d)Alpha US$	$	1.21
(d)Alpha Worldwide	SF	5.37
(d)Alpha Japanese	Y	1002.00
(d)Alpha Pacific Rim	$	1.07
(d)Alpha European	ECU	1.12
(d)Gold Share	$	0.96
BOND FUNDS		
(d)Sterling Pound	£	101.56
(d)US$ Bond	US$	110.90
(d)Deutschmark Bond	DM	50.71
(d)Alpha Worldwide	SF	55.28
RESERVE FUNDS		
(d)Sterling Reserve	£	10.729
(d)US$ Reserve	$	10.441
(d)Deutschmark Reserve	DM	10.271
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	9.675
INTERNATIONAL PORTFOLIOS (IP)		
(d) IP Global Balanced	$	10.81
(d) IP Precious Metals	$	8.91
(d) IP Global Bond	$	10.24
(d) IP US Share	$	11.46
(d) IP Global Equity	$	11.39
(d) IP Pacific Equity	$	10.50
(d) IP Euro Equity	$	11.85
(d) IP US Govt-securities	$	10.98
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w)Equity Intl Acc	$	10.44
(w)Equity Intl Inc	$	9.95
(w)Equity Global	$	0.98
(w)Equity Far East	$	1.46
(w)Equity Gold	$	0.88
(w)Equity Japan	Y	119.00
(w)Equity Nordic	$	1.11
(w)Equity U.K.	£	1.09
(w)Equity Continental Europe	$	1.03
(w)Equity Mediterranean	$	1.05
(w)Equity North America	$	1.07
(d)Bond DEM	DM	8.98
(w)Bond Intl Acc	$	7.44
(w)Bond Intl Inc	$	6.22
(d)Bond Sweden	SEK	N/C
(d)Bond Dollar	$	N/C
(w)High Income Acc	$	0.97
(w)High Income Inc	$	0.90
(w)Multicurrency	$	1.0298
(d)IFRF	FF	1.02
SOCIETE GENERALE GROUP		
(w) SF Fund	$	11.51
(w) SF Bonds A U.S.A	$	21.60
(w) SF Bonds B Germany	DM	85.56
(w) SF Bonds C France	FF	20.00
(w) SF Bonds D Switz.	SF	8.04
(w) SF Bonds E G.B.	£	1631.00
(w) SF Bonds F Japan	Y	11.47
(w) SF Bonds G Europe	ECU	11.28
(w) SF Bonds H World Wide	$	545.00
(w) SF Bonds J Belgium	BF	11.23
(w) SF Eq. K North America	$	11.76
(w) SF Eq. L W. Europe	ECU	1573.00
(w) SF Eq. M Pacific Basin	YEN	10.15
(w) SF Eq P Growth Countries	$	9.74
(w) SF Equities Q Gold Mines	$	11.07
(w) SF Equities R World Wide	$	110.39
(w) SF Short Term J France	FF	10.78
(w) SF Short Term T Eur.	ECU	
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	101.73
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.92
(w) Svenska Select.Fd Intl Sh.	$	48.44
(w) Svenska Select.Fd America Sh	$	10.83
(w) Svenska Select.Fd Asia Shares	$	8.77
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	466.50*
(d) AngloValor	£	155.71*
(d) Asia Portfolio	SF	558.65
(d) Convert Bond Selection	SF	99.31
(d) Dollar Bond Selection	$	135.95*
(d) D-Mark Bond Selection	DM	117.40*
(d) Ecu Bond Selection	ECU	101.64*
(d) Florin Bond Selection	FL	119.35*
(d) FranceValor	FF	1745.69*
(d) GermaniaValor	DM	492.96*
(d) Gold Portfolio	SF	486.63
(d) ItalValor	Lit	484,112.00*
(d) Japan Portfolio	SF	1203.75*
(d) SBC US$ MMF	$	1042.98
(d) SBC 100 Index Fund	SF	1176.00
(d) Sterling Bond Selection	£	105.61*
(d) Swiss Foreign Bond Selec	SF	107.19*
(d) Swissvalor	SF	398.00*
(d) Universal Bond Select.	SF	80.25*
(d) UniversalFund	SF	123.55*
(d) Yen Bond Selection	Y	11,764.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Inf oppo.fund	$	1.92
(d) Pacific Invt. Fd. S.A.	$	9.92
(d) Pac.Invt. Warrants Fd.S.A.	$	4.92
(d) Thornton Kangaroo Fd Ltd.	$	10.32
(d) Thornton European Fund	$	6.34
(d) Thornton HK & China	$	9.48
(d) Thornton Japan Fund Ltd	$	25.41
(d) Thornton Orient.Inc. Fd Ltd	$	19.88
(w) Thornton Phil. Redev. Fd	$	38.76
(d) Thornton Tiger Fund Ltd	$	25.33
(d) Thor.Pacific Tech.Fd.Ltd	$	12.22
(d) Thor.Litt. Dragons Fd Ltd	$	17.72
(d) Thor.Golden Opport.Fd	$	6.04
(d) Eastern Crusader Fund.	$	7.97
(w) The Global Access Fund.	$	9.49
T. Rowe Price Associates Inc.		
(m)T. Rowe Price Frontier Ltd.	$	10.51
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	42.94
(d) Eurobond	$	27.67
(d) Mortgage	C$	13.06
(d) Overseas	$	26.16
(d) Tiger	$	35.63
(d) High Yield Bond	$	67.60*
(d) Marupouchi	$	73.10
(d) Far Eastern	$	351.90
(d) Gilt	£	484.20
(d) Mad Currency-Dollar	$	1.387
(d) Mad Currency-Stlg	£	106.200
(d) 1992	£	265.100
(d) Wall Street	$	254.300
(d) HI Inc Gilt & Buildgs	£	103.400
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	975.73
(d) M-FUND	SF	1080.19
(d) M-Distribution	SF	104.57
(d) UBZ Euro-Income Fund	SF	10.15
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	63.25*
(d) Brit-Invest Shares	SF	772.00
(d) D-Mark-Invest Bds	DM	213.90
(d) Dollar-Invest Bds	$	115.63
(d) ESPAC Spanish sh	SF	218.50*
(d) Eurit	SF	327.00
(d) Fonsa Swiss Sh.	SF	234.50
(d) Francit Shares.	SF	208.50
(d) Germac Shares.	SF	213.50
(d) Globinvest Shares.	SF	112.00
(d) Gold Invest Shares.	SF	241.00
(d) Holland-Invest Sh.	SF	225.00
(d) Itac Shares	SF	216.00
(d) Japan-Invest Sh.	SF	1609.50
(d) Sima (stock price)	SF	249.50*
(d) Skandinavien-Invest	SF	265.50
(d) UBS Money Mkt Inv.	$	5264.49
(d) Yen-Invest Bonds.	Y	1058.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	40.40
(d) Unifonds	DM	32.90
(d) Unirak	DM	79.90
(d) Unizins	DM	113.70
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.56
(d) Univers Sav Amer	C$	9.96
(d) Univers Sav Equity	C$	12.32
(d) Univers Sav Global	C$	5.10
(d) Univers Sav Pacific	C$	8.46
(d) Univers Sav Nat. Res	C$	6.23
vHOYTEMA & CHAUSSEE Brussels		5118933
(m) vH&C Managed Fut. Index	$	185.00
Other Funds		
(b) Abacus Guart.Fd.Mar.'94'	$	10.57
(r) Actiroissance	$	500.34
(d) Actifinance Intl	$	814.66
(w) Actigestion	FF	1114.10
(w) Actinvest Intl	$	22.14
(d) Amvabel	FL	95.20
(w) Aquila International Fund	$	243.54
(d) Ariane	$	3,384.41
(m) Atlantic Fund	$	105.26
(d) Atlas Fund	SF	119.88
(r) Australia Fund	$	14.34
(d) Bahamas Superfund	$	1802.00
(w) Bleo Manad Bond Fund	$	188.22
(d) Bera Norden Sicav	$	144.91
(d) Bera Trust Sicav	$	117.78
(w) Bergen Int'l Fund.	$	11.13
(w) Bever Beleggingen++	$	25.50
(m) Banar Currency & Int.	$	87.20
(w) Bondselex-Issue Pr.	SF	118.10
(m) J Capel guaranteed Fund	$	9.84
(w) CMI Investment Fund	$	1219.00
(d) Cash Gestion	FF	9515.61
(d) CB German Index Fund	DM	115.26
(w) Citadel Bond Portfolio	SF	114.34
(d) Cleveland Offshore Fd.	$	35.59
(w) Columbia Securities	FL	111.91
(d) Commod. Gtd. Fund/USA	$	8.82
(d) Conqueror Fund Ltd	$	98.41
(w) Convert. Fd. Int'l A Certs	$	17.89
(w) Convert. Fd. Int'l B Certs	$	88.33
(w) Camber Intl N.V.	$	228.05
(w) Daiwa Japan Fund	Y	9098.00
(w) D.G.C.	$	174.58
(m) DIVERSIF. BOND FUND	$	93.67
(d) D-mark-Baer Bond Fd.	DM	1044.00*
(d) Dollar-Baer Bond Fd	$	1134.00*
(d) D. Witter Wld Wide Ivt Tst.	$	22.39
(d) Dreyfus America Fund	$	16.25
(d) Dreyfus Fund Int'l.	$	61.07
(d) Dreyfus Intercontinent	$	63.35
(w) Esprit Sicav	ECU	1164.77*
(d) Espirito Sto Inv M Sth Eur Fd.	$	10.14
(d) Europe Obligations	ECU	73.99
(w) Fairfield Int'l Ltd.	$	120.60
(w) Fairfield Strat. Ltd.	$	34.85
(w) First Eagle Fund	$	35,033.29
(d) F.I.T. Fund ff	FF	108.34
(w) Fondilalia	$	72.31
(d) Fonselex Issue Pr.	SF	198.25
(w) Forexfund Limited	$	8.76
(d) Formula Selection Fd.	SF	73.87
(d) Frankl-Trust Effekten Fd	DM	153.28
(d) Frankl-Trust Interzins	DM	41.96
(m) Future Div.Fund	$	26,400.00
(w) George V INV. BOND F.	$	17.49
(m) German Sel. Associates	DM	2283.98
(d) Green Line France	FF	687.12
(w) Haussmann Hldgs. N.V.	$	268.57
(w) Health 2000 Ltd	$	10.09
(w) Hestia Funds	$	142.53
(w) Horizon Fund	$	1848.44
(w) Ibex Holdings Ltd.	SF	179.80
(w) IFDC Japan Fund	YEN	46,037.00
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	14.42
(m) IncAsia N.V.	$	18.67
(w) Interecu Fund	ECU	1198.42
(w) Interface Fund Ltd.	$	148.29
(d) Interfund SA	$	36.80
(w) Intermarket Fund	$	368.51
(r) Int'l Securities Fund	$	22.47
(w) Intersec SA	$	3348.84
(d) Investa DWS	DM	68.83
(r) Invest Atlantiques	$	14.80
(w) Ipremel	$	10.07
(w) Italfortune Int'l Fund SA	$	40.55
(m) Japan Selection Asses.	Y	9,827.00
(m) Japan Selection Fund	$	197.28
(w) Japan Pacific Fund	$	206.44
(w) Kleinwort Bens. Jap. Fd.	$	227.17
(d) KML-II High Yield 07/03/89	$	998.80
(w) Korea Growth Trust	$	40.70*
(w) LACO International	$	7.45
(d) Liquibaer	$	1741.00
(m) London Portfolio G'td. I.	$	98.34
(m) London Portfolio G'td. II.	$	100.00
(m) Luxfund	$	98.56
(d) Lynx Sel.Holdings	SF	127.23
(m) ML. Morgens Lv Hi Yld.Inv.NV	$	18.57
(d) Mediolanum Sel. Fd.	$	37.58
(d) NCA FUND	$	10.78
(m) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	180.07
(m) NMT Nostec Portfolio s/s	$	104.54
(m) NM Inc. & Growth Fund	$	15.41
(d) Nomura-Cap Int Eq Fd	$	12.54
(w) Nordmix	Lit	10985.00
(d) NSP F.I.T.	$	260.49
(m) Oppenheimer U.S.Arb.	$	130.48
(m) Overlook Performance	$	1192.62
(d) Pacific Nies Fund	$	9.72
(d) PAM Futures Trad.	$	979.03
(w) Pancurri Inc.	$	121.80
(w) Prosp. I.H.Inc.P.F.06/22/88	$	9.39
(w) Protected Perfor. Fund	$	8.71
(w) Quantum Fund N.V.	$	13595.70
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.80*
(w) Samurai Portfolio	$	334.70
(d) Sanyo Kle.Spain Fd	$	10.76
(d) Sarakreek Holding n.v.+++	$	29.80
(d) SCI/Tech. SA Luxembourg	$	18.29
(w) Spectrofund Ltd.	$	16.42x
(w) SP International S.A.	$	4728.41
(d) Strat Int'l Gold Fund S.A	$	6.64
(w) Sussex Silverman	$	1018.00
(w) Techno Growth Fund	SF	65.84
(d) Templeton Glob Inc.	$	10.02*
(w) The Petrus Fund Ltd.	$	1.853
(d) TIIC(O.T.C) Jap.fd Sicav	$	9.25
(w) Transpacific Fund	Y	35355.00
(w) Trans Europe Fund	FL	75.41
(w) Tudor B.VI Futures,LTD	$	4266.27
(d) Turquoise Fund	$	203.33
(w) Tweedy,Browne n.v.CL.A	$	3618.86
(w) Tweedy,Browne n.v.CL.B	$	1911.32
(w) Tweedy,Browne (U.K.) n.v.	$	1397.59
(d) Unica Inv.Fund	DM	76.56
(d) Unico Equity.Fund	DM	42.88
(d) Uni Bond Fund	ECU	1504.89
(r) Uni Capital Fund	$	1641.97
(d) Univert Bonds	DM	131.10
(w) Vanderbilt Assets	$	17.39
(w) Vesper Plux	FF	1,001.83
(d) Victoria Fund	$	23,080.00
(d) Willerbond Capital	$	13.91
(d) World Fund S.A.	$	22.13
(d) World Balanced Fund S.A.	$	11.23
(m) Zweig Int'l Ltd	$	88,444.00

A$ - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; -@ Offer Price incl. 3% prelim. charge; ++ - Paris exchange; +++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

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A Rare, but Relevant, Revival

By Sheridan Morley
International Herald Tribune

LONDON — Though written and first staged just over 80 years ago, Harley Granville-Barker's "The Voysey Inheritance," which now gets a rare London revival on the National's Cottesloe stage by Richard Eyre, retains a remarkable relevance and topicality, concerned as it principally is with the ethics of the stock exchange.

On one level its plot is simple enough. As the play opens, old Voysey, played by David Burke in a craggy, magisterial performance of considerable power, is explaining to a rather wimpishly innocent son (Jeremy Northam) that their

THE LONDON STAGE

apparently respectable and long-standing family business as solicitors and financial advisers is in fact riddled with internal debt and corruption. For the last 30 years or so, old Voysey and his father before him have been cheerfully deceiving their clients by embezzling most of their investments, covering their tracks by the simple device of paying out the requisite amount of interest due each year without revealing that the capital has long since been spent.

The secret has been kept from all save one faithful solicitor's clerk, who gets paid for his silence, but Voysey junior faces the immediate moral dilemma when he is left in charge of the firm on his father's death: Is he to come clean, thereby risking a prison sentence and facing many old clients with the truth of their poverty, or is he like his father and grandfather to continue juggling the books in the hope that some prudent investment on the stock exchange might eventually enable him to put the right amount of money back in the accounts without anyone being any the wiser or worse off?

Around the saga of the missing mortages, Granville-Barker has constructed a well-made, Shavian debate about private and public morality, one that also allows sidelong glances at middle-class hypocrisy in general, the coming of emancipated women and even divorce suits ("People should not live together for the purpose of mutual irritation") and the peculiarly English ability to be simultaneously puritanical, pious and corrupt. Thus when the ghastly Voysey secret is discovered by a client (Graham Crowden) simply asking for his capital back, instead of immediately hastening to the authorities he settles for a little light blackmail and a cut of whatever future actions might ensue from sustained stock market risk-taking.

So the once pure young Voysey is forced to carry on the juggling against his better judgment; he even discovers that his late father did once manage to balance the books but was by then so hooked on the games of stocks and shares that he promptly proceeded to purloin it all again, thereby continuing a family tradition, which by inference Barker suggests is also the tradition of England itself. Living among wheelers and dealers has its own special fascination, particularly at a time of stiflingly Victorian values of apparent propriety.

In the end, this is a complex morality play about people discovering that life cannot easily be divided into right and wrong unless you take into account the natures of those who are doing the dividing. It is also a debate about the precise borderlines of private and public morality, and a strong cast plays it virtually in the round, so that we appear to be spectators in the public gallery of some courtroom where not only the Voysey family but the tyrannies and traditions of turn-of-the-century England are also on trial by a moral philosopher and revolutionary who was more interested in self-discovery that a blind acceptance of simplistic homilies about right and wrong.

Gerald Murray

David Burke as the elder Voysey in Granville-Barker's "The Voysey Inheritance."

□

At the London Palladium, perhaps in an attempt to recoup his recent losses on the appalling "Ziegfeld," Harold Fielding has revived a staging of "Singin' in the Rain" that ran there with considerable success a few years ago, then as now starring the twinkling teeth and tapping toes of Tommy Steele, who also directed.

It remains, however, a curious affair since much of it takes place on a screen lowered center stage. Addicts of the 1952 Gene Kelly movie will recall that its central joke is about dubbing an acceptable speaking voice onto a silent film star whose vowel sounds are beyond belief, so that she may be safely brought into the era of the talkies, when Tinseltown became tonsiltown, and there is no way any of that can be got across the footlights without a projector. Indeed had Betty Comden and Adolph Green ever wanted "Singin' in the Rain" to be a stage show they would have doubtless written a rather different plot.

Undeterred by such minor considerations, Steele comes up with a relentlessly cheerful adaptation, uneasily Anglicized so that in the Gene Kelly role he becomes a cockney immigrant to Hollywood while Bunny May faithfully recreates the Donald O'Connor "Make 'em Laugh" routine and rain duly falls in all the right places for people to sing in. Songs by the Gershwins and several others have been patched into the Nacio Herb Brown-Arthur Freed original score, in itself one of MGM's best ever, and with a sharp eye to the movie's ongoing worldwide success as a video, its title is duly spelled outside the Palladium in 15 languages.

□

This year's London International Festival of Theatre opened on Monday at Riverside Studios with a rousing Chilean mix of drama and cabaret from the Gran Circo Teatro's production of "La Negra Ester." It continues through the end of the month with companies from around the world in a repertoire ranging from Strindberg and Pirandello through Indian dance and Irish drama to Appalachian storytelling and a mysterious two-hour tour of London in the company of a succession of performers working for "You the City." Box office details on all this and more can be obtained by calling 240-2428 or 836-1702.

'Figaro' Returns for the Bicentennial

By Thomas Quinn Curtiss
International Herald Tribune

PARIS — Paris theaters are extending their engagements this season to participate in the bicentennial celebrations of the French Revolution, and the works of the dazzling dissidents of 18th-century literature — Voltaire and Beaumarchais, whose writings fanned the flames — are being pressed into service on the boards.

Beaumarchais wrote "The Marriage of Figaro" in 1776 (the year of the American Declaration of Independence). The comedy was obviously a travesty of Louis XVI's lax court, though its scene was shifted to Spain, and it was forbidden performance. In 1784 the ban was lifted. It was given its première by the Comédie Française, and it has been played there 1,249 times since. It is back after a 10-year absence in a new production by Antoine Vitez.

Vitez's customary policy is to highlight the social content of a text, but this time he has declared a holiday with a round-the-maypole frolic, pictorially Watteauesque. The distant thunder of rebellion is audible only in the famous monologue of the resentful Figaro.

The Comédie Française, as a sort of literary entente cordiale, is including for the first time in its 300-year history a play by William Congreve. Probably the most accomplished master of sophisticated comedy in the English language, he was more proud of his high social status than of his polished prose. He tossed off five masterpieces when in his 20s and then retired to idle among the aristocracy. When Voltaire visited him to discuss dramaturgy, Congreve waved away the subject remarking that he was a gentleman and not a pen-pusher. "If you were only a gentleman I should have never come to see you," Voltaire retorted.

"Love for Love" is the most easily actable of his plays. Guy Dumur, the drama critic of the Nouvel Observateur and a dramatist himself, has smoothly and effectively translated Congreve's sparkling dialogue, but André Steiger's staging of "Amour pour amour" clouds its exposition. Almost half an hour passes without a titter due to the gloomy surroundings. The text is there but minus engaging, nonchalant humor.

Voltaire's plays, composed in the strained idiom of neoclassicism, are rarely revived. The quintessence of the 18th century's prime gadfly dances with nimble theatricality in "Voltaire's folies." This diverting exhibit (back at the Comédie de Paris after a national tour) draws on his "Philosophical Dictionary" for a collection of wise and witty sketches. Jean-François Prévand has arranged the material with skill, and a sextet of excellent comedians enact its fantastic figures with contagious vigor.

Octave Mirbeau, a political radical and bellicose journalist of the 1890s, who accused Alphonse Daudet of plagiarism and brought Maeterlinck to worldwide notice, practiced shock treatment on the public to become famous and notorious.

His play "Le Foyer" (The Home), an attack on charity racketeering, caused a scandal when it was accepted by the Comédie Française in 1907. Forgotten for a generation or two, it is now back (at the Bouffes-Parisiens) under official auspices and has been awarded a Molière as the best production undertaken this year with government subsidy.

It is told in the fashion of the well-made, four-act problem drama of its day. A baron who plays the stock market has gambled with the funds of a hostel for poor children and lost. To escape trial and imprisonment he falls into the hands of a professional fixer who has clapped an acquisitive eye on the baroness, who yields to the scoundrel's desire to protect her husband's reputation.

The plot is predictable and its progress slow, but the characters have been drawn in depth and the acting by Jacques Dacqmine as the speculating baron, Annie Sinigalia as his wife and François Lalande as the unscrupulous man of influence animate this dusty drawing-room melodrama.

Jean-Laurent Cochet, the actor-director, is reviving a little-known comedy by Sacha Guitry, "Tu m'as sauvé la vie" (You Saved My Life), and is presenting it at the Théâtre Daunou. Guitry tossed off this farce and performed it with France's top screen comic, Fernandel, in 1949. A wealthy, middle-aged bachelor escapes being run over while taking a walk. A tramp shows up claiming to have saved his life and as a reward is installed as a member of the household, to the indignation of the servants, who hope to inherit their master's fortune. The mansion becomes a madhouse.

The dialogue has the Guitry verve and some sharp comments on human ingratitude amid the slapstick. Cochet impersonates the disillusioned bachelor with ironic humor, Patrick Préjean does the deceptive vagabond in a broader style, and Mony Dalmès reveals an unsuspected gift for low high-jinks.

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International Herald Tribune A Special Report Wednesday, July 5, 1989

South Korea: Tussling With Democracy

New Freedoms Put Economic Miracle to Test

By Peter Leyden and David Bank

SEOUL — Less than a year after South Korea heralded its spectacular economic achievements at the Seoul Olympics, Koreans speak gravely about their economic crisis.

Unrelenting wage demands and crippling labor strife, accompanied by drops in economic growth and exports, have government officials and businessmen anxiously warning that the nation will sink into stagflation and international decline.

"Many people think this is a historical turning point," said Kim Choong Soo, a government economic adviser at the Korea Development Institute. "Many people think that if we don't resolve these problems in a reasonably short time, we will follow in the steps of a Latin American country."

> Officials and businessmen anxiously warn of decline.

Two years after President Roh Tae Woo initiated the democratization process, some people are questioning whether the new political and economic freedoms will undermine South Korea's international competitiveness and continued economic progress.

"It's a real test whether we can maintain the Korean economic miracle under democracy," said Suh Sang Mok, a member of the National Assembly and an economic policymaker for the ruling party. "We have to resolve this critical transition period."

Instead of viewing the situation as a crisis, some foreign observers see instead an inevitable structural change from a high-growth, export-led economy to a more developed high-tech economy with a diversified domestic market and full integration into the international economy.

"It's like going through the aggression of puberty to the maturity of young adulthood," said Alan Plumb, a British banker who has been in South Korea for 10 years. "I don't see it as an out-of-control crisis."

Nevertheless, for the first time, government officials have seriously considered violating the unwritten contract of "Korea Inc." — which is that no major company goes bankrupt and no mass of workers goes unemployed.

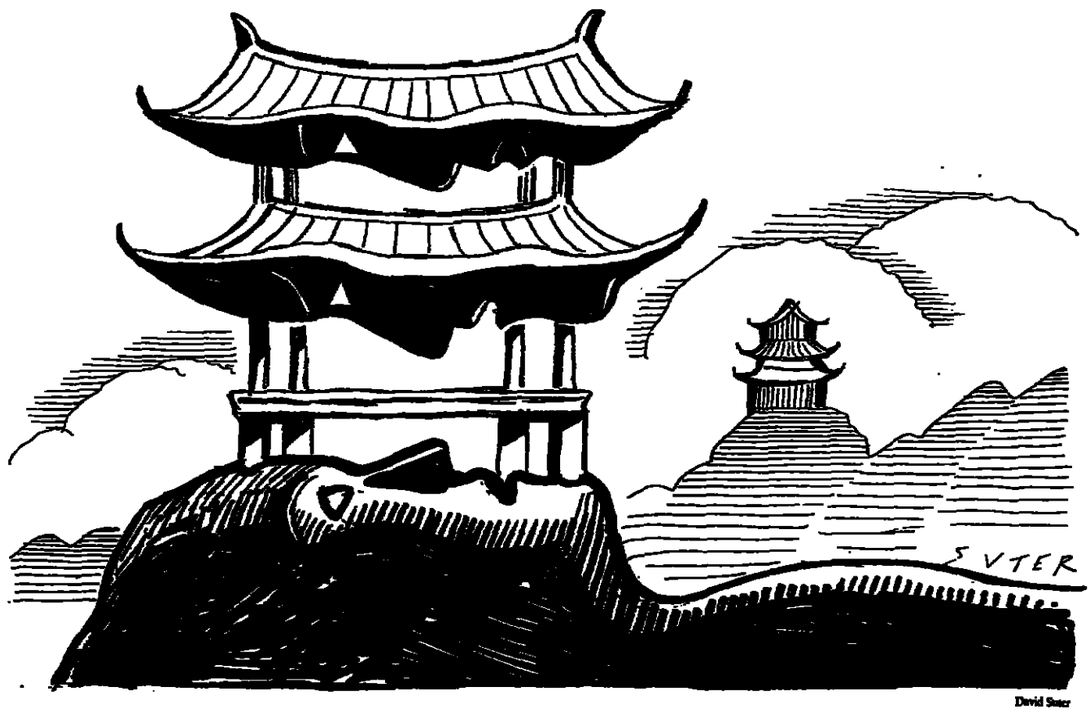
They say such a disaster would force labor to moderate wage demands and the public to face the depth of the crisis.

"Without such a shock, no one will understand what bankruptcy means," said Sun Joun Yung, director of the international trade bureau of the Ministry of Foreign Affairs. "That may prove to be an invaluable lesson to all persons involved, both workers and management."

Daewoo Shipbuilding & Heavy Machinery Ltd., the second largest of the nation's four shipbuilding firms, provided the perfect opportunity throughout June. The government had built up the firm in the 1970s to help develop the nation's base of heavy industry. However, the company was never managed well and took on heavy debt.

Early this year, the government agreed to a $600 million bailout provided that labor held the line on wage increases for the year to give the company time to recover. Workers promptly demanded a 55

Continued on page 8



David Suter

Labor Unrest, the Price of Success

By Liz McGregor

SEOUL — Lee Sang Mo doused himself in alcohol and kerosene, set himself on fire and leaped out of a seven-story hostel window. He died 20 minutes later, leaving a suicide note that read: "Workers will always be slaves if the employers oppress them."

Mr. Lee, 20, was the second Daewoo shipyard worker in a week last May to immolate himself over the deadlock in wage negotiations. The two suicides set off a wave of unrest at the debt-ridden shipyard. After protracted negotiations, workers again voted on June 22 to strike, despite threats that Daewoo would shut down the shipyard if they did.

South Korea is finally paying the price for its economic boom of the past three years. Workers, feeling that it is time that they had a share of the pie after decades of sacrifice in the interests of national development, have won an average 18 percent wage increase each year for the past two years.

This year was no exception. By mid-June, there had been 1,061 strikes, and $4.5 billion in lost production during the first five months of this year. Analysts say that because none of the underlying causes has been dealt with, the negotiations next year could be just as traumatic.

In addition to wage and union recognition disputes, the Korean economy is being transformed from a low-wage labor intensive industry to a high-tech one with a decline in the traditional shoe, garment and toy industries and a big increase in microchips.

The consequent relocation and retraining of large numbers of workers is exacerbated by an uncertain political climate. The authoritarian regimes which for decades repressed workers' demands have given way to a government that has stepped out of the ring altogether and has left management and workers to resolve their differences themselves. The result has been frequent, often bloody, confrontations.

"What we need is a Margaret Thatcher," said Chung Hoon Mok, president of Hyundai Engineering and Construction Company. "Lack of good labor negotiations and excessive wage demands have slowed down new investments and cut our international competitive position. The situation is much more serious than it appears."

In fact, a strike at the Hyundai shipyard in the southern port of Ulsan in March was put down with a combined air, sea and land attack on strikers by about 10,000 troops.

Industrial strife is relatively new to South Korea. From 1981 to 1985, there were only 100 strikes a year. In 1986, there were 276. But it was in 1987 that the number of strikes mushroomed — to 3,008. That was the year of the people's uprising against the authoritarian government of former President Chun Doo Hwan and the first tentative steps toward democratization of his successor, Roh Tae Woo.

In August alone there were 2,552 strikes.

Continued on page 9

Liberalization Underlines Gap In Generations

Young Grew Up in Prosperity Built by Once-Poor Parents

By John Gittelsohn

SEOUL — At schools across this city, parents have done the unthinkable: wrestling and shoving children who were trying to study. The parents wanted a boycott of classes and demanded that some teachers be fired for spreading "leftist ideology" while trying to organize a trade union.

On June 14 at Seoul's Kuro High School, two 17-year-old students took a suicidal leap from a classroom window to protest suppression of their teachers' union. The boys survived, but their plunge further dramatized the deep and confusing conflicts dividing South Korea.

Teachers, among the most revered of professionals in this education-conscious society, are the latest group to fight for what they see as a democratic right to unionize. But many parents, as well as the government, view the organization as a threat to social order.

"Our long cultural tradition denies the teachers a trade union," President Roh Tae Woo said. "Such a situation can only make people feel uneasy."

Two years ago, pro-democracy demonstrations swept South Korea. Instead of resorting to its old course of ordering troops to crush the rebellion — as the Chinese did in Beijing last month — Mr. Roh, then the presidential candidate of the ruling Democratic Justice Party, pledged to enact sweeping democratic reforms. He narrowly won an open election in December 1987.

Now, South Koreans are grappling with what democracy means.

As the teachers' union dispute illustrates, democracy means different things to different people. A recent Gallup poll found that nine out of 10 South Koreans felt insecure about the political situation. But they split almost evenly over whether Mr. Roh was too tolerant or too repressive.

Burdened by his close connections to the disgraced regime of ex-President Chun Doo Hwan, Mr. Roh has been unable to forge a strong mandate to guide the nation.

"There are few leaders left with real authority, who people listen to out of hand," a Western diplomat said. "Certainly the government isn't one of them."

Much of the distrust represents South Korea's version of a generation gap. Young South Koreans were reared amid an expanding, prosperous economy built by parents familiar with hunger and poverty.

Older South Koreans recall with horror the invasion from the communist north and regard the United States as a savior. But as they chant "Yankee Go Home," the two-thirds of the population born since the 1950-1953 Korean War often look upon the "North Korean threat" as an example of the old dictatorship's propaganda.

Businessmen face a similar credibility gap. South Korea has been called a model of economic development, but now it is witnessing the crumbling of "Korea Inc.," the collective will that

Continued on page 8

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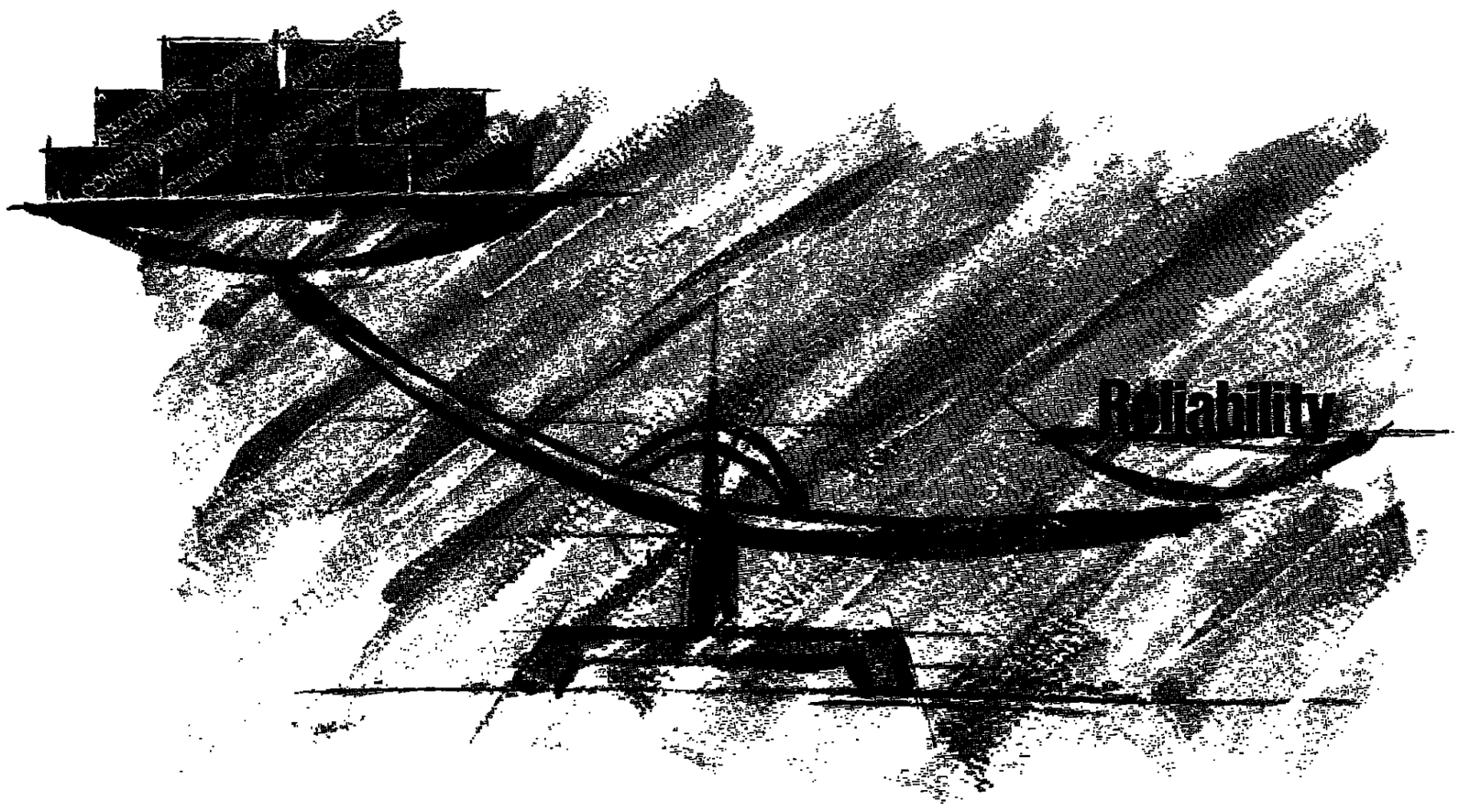

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Farmers Embittered By Low Prices and Debt

By John Gittelsohn

KYEJONGRI — Trouble began for Kim Joo Ho when a government agriculture agent advised him to raise silkworms. At the same time, the expert recommended a new pesticide for his rice paddies that killed the worms.

To compensate for the dead worms, the government offered Mr. Kim 1 million won ($1,500 at current exchange rates). There was one catch, though. Mr. Kim had to spend the money to begin a dairy.

The year was 1983, the peak of a campaign to make the countryside rich off milk and meat. The scheme lined the pockets of cattle dealers. But for Mr. Kim's farm, 60 miles southwest of Seoul, it was a bum steer.

The campaign glutted the cattle market. The value of Mr. Kim's herd plummeted as his debts rose.

To shore up sagging meat and cattle prices, South Korea cut off all foreign beef imports in 1985. But just as his cows are about to earn their keep, Mr. Kim, 41, sees a renewed threat of financial ruin.

"Things are all right now, but I'm worried about the imports," the farmer said. "It sometimes looks like there's no future in farming."

Millions of South Korean farmers have reached the same conclusion. In 1960, before the nation's industrial development began, more than three-quarters of South Koreans were rural peasants. Today, less than 20 percent of the nation's 42 million people live in the countryside and 500,000 people migrate to the cities each year.

Those who stay behind are often embittered. They find themselves trapped by filial obligations to tend the ancestral soil or by educations too poor to allow a career change.

Their average age is increasing; nearly 60 percent are male. Young women move to cities, drawn by the more civilized life and better factory pay. Stories of despairing rural bachelors committing suicide because of failure to wed are regular newspaper fodder.

> Anger and alienation has been building for years in the countryside.

"When I wanted to get married, it wasn't a problem," said Mr. Kim, a father of four. "Now you have to lie when you go to a matchmaker. If you say you're a farmer, they don't want your business."

Besides the debt incurred from ill-conceived government improvement schemes, farmers borrow to send their children to the city in the hope that a university degree or office job will ease the family's misery.

"I don't have a cent now," said Chang Sok Kon, 53, a rice farmer who borrowed $8,000 to pay college tuitions for his two sons. "I've had such a hard time, I can't let them come back. My only hope out of here is my sons."

By historical standards, farmers have profited from South Korea's economic development. Their poverty is relative rather than real. Tractors, telephones, refrigerators and televisions are common on farms once thought fortunate to own a single ox.

On paper, farm incomes are surprisingly close to those city incomes. In 1988, the Ministry of Agriculture calculated the average farm family earned $12,150, while urban households earned $11,650.

But observers say the statistics are biased, under-reporting city incomes and failing to account for farm debt. They also say farm problems run deeper than money.

"They're living pretty good, but their feelings aren't so good," said Huh Shin Haeng of the Korea Rural Economic Research Institute, a government-financed think-tank. "They feel they've been sacrificing themselves for the growing economy in the rest of the country."

James Nachtwey/Magnum

The cultivation of rice paddies is still primarily done by hand.

Anger and alienation has been building for years in the countryside. Riding the national wave of democratization, conservative farmers have recently gone public with their grievances.

To protest low produce prices, they piled bags of red peppers outside government buildings and the homes of opposition party leaders. They marched on the Ministry of Agriculture to demand cuts in irrigation taxes. They tried to storm the U.S. Embassy to demonstrate against American pressure to open Korean agriculture markets.

In February, 12,000 farmers wielding firebombs and bamboo pikes clashed violently with riot police outside the National Assembly building. More than 100 police and protesters were injured in the melee.

"Politicians were shocked," Mr. Huh said. "It was the first time they really got the message."

The message also appears to have reached Washington, which has quietly conceded that South Korean farmers are not yet ready to completely compete with their American counterparts. After the Seoul government drew the line against more concessions on agriculture imports in April, the U.S. trade representative, Carla Hills, eased pressure for further market openings by dropping South Korea from the list of unfair trading nations.

U.S. officials in South Korea are concentrating instead on getting Seoul to comply with the agreements it has already announced. For example, despite South Korea's limited reopening to beef imports last year, Washington has lodged an unfair trade complaint with the General Agreement on Tariffs and Trade.

If the spigot of beef imports opens too wide, however, farmer Kim Joo Ho fears his cows could be as valuable as dead worms.

New Freedoms Test Economic Miracle

Continued from page 7

percent increase in pay and effectively shut down the plant complex.

Management then made numerous concessions to avoid a general strike and finally approved an agreement for a 24 percent wage increase with union negotiators. After union leaders initially rejected the arrangement, workers voted for the contract and returned to work.

Government officials had privately said that the sick company should go out of business for economic reasons — and up to the last, the government was prepared to bear the political consequences of allowing 12,000 Daewoo workers and 7,000 workers in related firms to lose their jobs. In the end, some officials regretted the missed opportunity.

"From the economic point of view we want a bankruptcy — not from the political point of view," said Mr. Suh, before the vote.

At the heart of the matter are huge rises in labor costs and continual disruption of industry.

In the first five months of this year, average wages for Korean manufacturers rose more than 18 percent. In the last three years, wages have risen 62.5 percent, outpacing competitors like Taiwan, Singapore and Hong Kong.

As of mid-June, 1,061 labor disputes had erupted, compared to a total of 276 for the entire year of 1986, the year before democratization. Strikes accounted for about $4.5 billion in lost production during the first five months of this year.

The whole economy has been affected. After three successive years of unparalleled 12 percent growth in GNP, South Korea had 5.7 percent growth in the first quarter this year. For the same period last year, the rate was 14.6 percent.

Export growth in the first five months of the year was only 6.7 percent in dollar terms, less than a quarter of the 29.6 percent for that period in 1988. The volume of exports actually declined by 4.3 percent.

Investment in machinery, which provides the foundation for future growth, was stagnant. Growth in machinery investment for the first quarter was 2.1 percent, compared with 16.7 percent for the same period in 1988 and 25 percent for that period in 1987.

Inflation and unemployment are creeping up. The stock market has fallen in recent weeks. Real estate speculation is rampant.

This situation is part of the price that South Korea must pay for the breakneck economic development of the previous two decades, said Lee Kye Sik, senior counselor to the minister of economic planning.

THE OLYMPIC celebration of South Korea's advance into the ranks of the more developed world was deserved. South Korea now ranks 13th in the world for total trade, combining exports and imports, according to 1987 World Bank figures. Its GNP ranked 17th for that year.

But inequalities and imbalances built up during that time and must be worked out between workers and managers, between urban and rural areas, and between different regions of the country.

"The democratization process is some sort of people's complaint about these imbalances and inequalities," said Mr. Lee. "We are going to have one or two years of this agonizing process."

On top of that, the economy is being restructured on several levels. It is becoming more integrated into the international economy by making the often painful liberalization of its markets.

Using the threat of putting South Korea on the hit list of unfair traders this spring, the United States forced it into reluctantly opening more markets. The won has appreciated more than 27 percent since 1987 due to strong pressure from the United States.

South Korea also is expanding its domestic market. Private consumption rose 10.3 percent in the first quarter this year following steady growth for the last three years.

Imports of consumer goods sharply increased this year. In the first four months, imports rose 19.4 percent over a year ago.

Essentially, South Korea is restructuring its labor relations and its economy just as European countries and the United States did in earlier periods. But it is telescoping decades into years.

PETER LEYDEN and DAVID BANK, journalists based in Seoul, are special correspondents for Newsday and contribute frequently to Newsweek.

Liberalization Underlines Gap in Generations

Continued from page 7

powered its emergence as Asia's second largest industrial power, behind Japan.

Investors are putting less money into new factories while speculating more in real estate and the stock market. The capitalists' wealth has widened disparities in income, fueling resentment among workers and farmers who feel they sacrificed for the country's economic progress but are reaping too few of its benefits.

The end of 40 years of authoritarian rule also outmoded the most brutal methods used by business and the government to keep grievances in check. Wage demands by newly empowered unions are undercutting South Korea's international competitiveness — and higher incomes have fueled inflation, offsetting the recent gains. Strikes and the appreciating value of the won have stalled exports.

The trade balance is shifting from black to red. Economists say South Korea has reached a crossroads, and must address its economic troubles or risk disaster.

"What the government is trying to say," said Han Seung Soo, the minister of trade and industry, "is you have to wait for the fruit to ripen before you eat it."

Yet the people are tired of waiting. Labor disputes have spread from blue- to white-collar workers at banks, hospitals and newspapers. Farmers have taken to the streets demanding higher produce prices and opposing agricultural imports. Even riot police, the law enforcers with the Samurai helmets and gas masks, have marched for better working conditions.

The political and economic changes are the surface of an underlying social transformation. Rapid industrialization and urbanization have eroded centuries-old Confucian values that fostered harmonious social relations by commanding respect for parents, teachers and kings. Some blame the current rash of conflict on the entrenched powers' refusal to recognize these changes.

"Those in the establishment are very stubborn," said Ahn Byong Man, professor of political science at Hankook University of Foreign Studies. "As a result, it works against stability and development and economic prosperity."

But many say the protests have gone too far. Workers are demanding a say in management decisions as well as 50 percent pay raises. Pro-North Korean radicals have seized control of student movements at many universities.

> Even riot police have marched for better working conditions.

The most sobering incident occurred in May, when seven riot policemen burned to death after protesting students set fire to a campus library in Pusan.

"Dictatorship was a good thing to challenge," said Park Chong Soo, a ruling-party lawmaker. "But now it's so free, they're becoming too extreme. They're trying to destroy the system, but they're going to destroy themselves in the end."

Still others say the problems are exaggerated. They are optimistic that the country can muddle through its current challenges, finding a Korean-style balance between freedom and responsibility.

Compared to the unrest in South Korea's recent past — or the turmoil in neighboring China — the country seems almost a model of political development.

"Really, all they have to do is stop the car from crashing," a Western diplomat said, "and eventually they'll be all right."

JOHN GITTELSOHN, a Seoul-based journalist, contributes to The Times of London and The Boston Globe.

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Chun's Shadow Haunts Politics

By John Gittelsohn

IN A REMOTE mountain valley beside a babbling brook lies Paikdamsa, the temple of 100 ponds. The 16th-century Buddhist monastery is the home of the disgraced former president, Chun Doo Hwan, who went into exile there in November amid public outrage over the corruption and repression of his 1980-88 Fifth Republic.

Mr. Chun lives with his wife and a half-dozen monks — far from the halls of power. However, his shadow still hangs over national politics.

Before going into exile, Mr. Chun made a dramatic televised apology to the Korean people. He was also granted amnesty by his successor and longtime friend, President Roh Tai Woo.

However, this did not satisfy his critics, who want Mr. Chun to testify publicly about the misdeeds of his administration.

Opposition politicians as well want a half-dozen aides to the former president, some of whom still hold key positions in the government, to be punished. They say that suspicions about the current government cannot be put to rest and achieve true democracy achieved until the full truth of Mr. Chun's crimes come to light.

AFP

President Roh Tae Woo

"The evil spirits of the previous era are still hanging around," said Moon Dong Hwan, an opposition lawmaker. "We need an exorcism. We need to expel them. It hasn't been done."

The darkest stain in Mr. Chun's past is the suppression of the May 1980 uprising in the southwestern city of Kwangju, where paratroopers sent to enforce martial law killed 195 people by official count. The action paved the way for Mr. Chun's ascent to power.

To many South Koreans, the army's use of force permanently undermined Mr. Chun's legitimacy. The repression also sowed seeds of anti-Americanism. Many Koreans blame the United States for failing to stop the massacre and condemn Washington for supporting Mr. Chun after his coup.

Corruption among Mr. Chun's family and his close aides further aroused public anger. In February, a special prosecutor ended investigations of Mr. Chun's administration, indicting 47 relatives and aides. Included were Mr. Chun's two brothers, who are now serving prison terms for embezzlement, tax evasion and influence peddling. Mr. Chun was not investigated.

Businessmen also accuse Mr. Chun of extorting millions of dollars in donations for his pet projects.

"There was an ugly side of the Chun Doo Hwan administration, but his purpose was to prolong his power," said C.K. Cho, president of Korean Air. "The top 40 or 50 companies had to contribute. Otherwise you were in trouble. As a manager, you don't want to create trouble."

Independent investigations into the Chun administration by the opposition-dominated National Assembly have been frustrated by President Roh and his ruling Democratic Justice Party. Mr. Roh was Mr. Chun's military academy classmate, a key player in Mr. Chun's military coup and his handpicked successor.

While insisting on his determination to eradicate South Korea's authoritarian legacy, Mr. Roh has demanded leniency for Mr. Chun.

Within Mr. Roh's camp, opinion is divided over how to settle the problems of the past. Some see a full investigation as the only way to gain public support. Others say the bloodletting has gone on long enough.

"If we look more to the future, doubt comes to everyone's minds," said Ku Chang Rim, the ruling party's international affairs director. "Which is wiser, the troublesome testimony or to smooth it over for a more harmonious politics in the future?"

JOHN GITTELSOHN, a Seoul-based journalist, is a contributor for The Times of London and The Boston Globe.

Post-Olympics: A 'Me-First' Attitude

SEOUL — Rising just a few blocks from Seoul's Olympic Complex on a plot of land three times as big as the 90,000-seat Olympic Stadium, is Lotte World, the last major construction project associated with the 1988 Games in Seoul.

The center contains a shopping mall that can accommodate 60,000 shoppers, a 535-room luxury hotel, a swimming club with eight pools, a parking lot for 5,400 cars, a folk village, a wedding hall, an ice rink, a 26-lane bowling alley and Lotte World Adventure, the world's largest indoor amusement park, which will open July 12.

In many ways, the complex embodies this city's Olympic aspirations and problems. Detractors say its wedding cake architecture is kitsch and describe its virtually limitless shopping outlets as base appeals to conspicuous consumption.

The developers see it as the wave of the future. Yuchiro Watahiki, executive director of the project which was developed by the Japanese-Korean firm Lotte Hotel Co., enthused about the Lotte World Adventure. "We've got a great concept. There's no such facility in the world," he said. He believes his firm will get the return on its investment in five years.

When Seoul won the right to host the 1988 Olympics, it noted that the 1964 Tokyo Games marked Japan's rise as a world economic power. Now, people worry about Seoul's "Tokyoization," that is, they worry about pollution, urban sprawl and skyrocketing real estate prices.

"The 88 Olympics made Seoul more of a primary city," said Zo Kun Yung, a member of a group of dissident architects and urban planners unhappy with the city's development. "That means the disparities between Seoul and other cities are deepening."

Seoul, with a population of 10 million, is already home to a quarter of the nation's population packed into just 0.6 percent of the country's land area. The city has 60 percent of the nation's wealth, 85 percent of its public buildings, nearly half of its cars and its best universities.

Since the Olympics, the city has seen an unprecedented spending boom. Housing costs have soared. Land values in Seoul south of the Han River rose 30 percent in the first three months of 1989. And last year, the number of share holders on the stock exchange doubled.

Sales of luxury goods and services are rocketing. Cosmetic surgery — skin bleaching, widened eyes and sharpened noses — has become common among wealthy young women who wear the latest fashions imported from Europe and the United States. Textile imports from Italy rose 166 percent from January to April.

THERE has also been a boom in car sales. In the first five months of the year, domestic auto sales jumped 33 percent while exports tumbled by the same rate. More new foreign cars were sold in the first five months of 1989 than all of last year. And most were Mercedes-Benzes.

With 500 new cars joining the city's vehicle population each day, problems of air pollution and traffic congestion have increased significantly.

All the shopping has contributed to the shift from surplus toward deficit in the nation's balance of trade. It has also inflamed resentment among the poor as the rich flaunt their money.

As a result, opinion leaders are urging the wealthy to pursue more frugal lifestyles.

"Our society is now plagued by the me-first attitude that turns its back against the plight of the needy and destitute," the independent Dong-A Ilbo newspaper editorialized. "We must certainly watch out for an environment where consumption is regarded as a prime virtue in life in total disregard to the social climate."

But such exhortations seemed like lost voices in the urban wilds as Lotte World Adventure prepared for its gala opening. Workers put the last touches on the roller coaster that some feared would rattle the glass-domed park to pieces in a few years. And dozens of dancers rehearsed the costumed Disney-style parades they plan to perform daily before hundreds of thousands of fun-seekers.

John Gittelsohn

The Global Newspaper.

Nordpolitik: An Opening To Ex-Foes

By Peter Maass

SEOUL — While the United States and most of its allies were strongly criticizing the Chinese government for its bloody crackdown against pro-democracy students, South Korea remained oddly silent. Known as a bastion of anti-communism, South Korea only belatedly released a brief statement that lightly chided China's leaders.

South Korea's reluctance to criticize Beijing stems from its new effort to establish ties with the Communist-bloc nations that, until recently, were its implacable foes. The détente with China, Moscow and the East European nations has now become much more important for Seoul, politically and economically, than the virulent anti-communism that formed its ideological backbone until just a year ago.

Seoul's effort to reach out to former foes has prompted a virtual revolution in its relations with the socialist bloc.

Earlier this year, Hungary became the first communist nation to establish full diplomatic relations with Seoul. Other East European nations are expected to follow suit. Yugoslavia and Poland, which have already exchanged trade offices with Seoul, are next in line.

Moscow and Beijing are not expected to fully recognize South Korea for some time, but their trade with Seoul has jumped in the past year as political and cultural exchanges become the norm.

President Roh Tae Woo calls the détente that he formally began in July 1988 *Nordpolitik* — a South Korean version of West Germany's successful Ostpolitik. The process was helped immensely by the Olympic Games that were held in Seoul in 1988. The Games opened up a plethora of new contacts with former enemies — although not North Korea which boycotted the Olympics — and gave South Koreans the impression that the time had indeed come to step out of their decades-old diplomatic isolation.

Glasnost, the policy of openness initiated by Mikhail S. Gorbachev, played a key role by loosening the bonds that have tied Moscow and its allies to hardline North Korea.

But the diplomatic inroads were also helped by Seoul's transition to democracy, which began in 1987 and has given the government a softer, more respectable look.

Still, the Nordpolitik has failed, so far, in a central area: relations with North Korea. After a hiatus of several years, talks between the two sides resumed last year but were suspended a few months ago, ostensibly because North Korea objected to South Korea's annual military maneuvers with the United States. Although the talks should resume soon, few experts expect any substantial change between the two sides. Suspicion and hostility on both sides remain too high, most experts believe, for any breakthrough to occur soon.

Still, Seoul hopes that its inroads with North Korea's allies will jolt Kim Il Sung, the North Korean leader, into becoming more flexible.

That may be wishful thinking. In fact, some experts warn, the exact opposite could take place. Even if a North Korean softening occurs, hardliners in the South Korean government would then need to show a corresponding degree of flexibility. When or if that moment of truth arrives, it remains to be seen whether the hardliners, particularly in the military, would match their words of détente with deeds of friendship.

Reed Baril/Magnum

Soldier at the DMZ line.

Although Nordpolitik's political payoff in relations with Pyongyang may be a long ways off, economic benefits in trade with communist countries are cropping up.

Until last year, trade with China was indirect and secret. Exchanges of South Korean consumer goods for Chinese coal and raw materials were conducted discreetly through third countries, such as Hong Kong. Now, the trade is open and increasing — at least until the martial-law crackdown. By soft-pedaling its opposition to the killings of pro-democracy students, South Korea clearly hopes to maintain its fragile contacts with China.

"Both the government and the private sector will keep making efforts to develop relations with China," said Foreign Minister Choi Ho Joong in a speech on June 20. "Business-as-usual is our basic posture towards Beijing."

Thanks to the relative political stability in Moscow, Seoul's ties with the Soviet Union are moving ahead at a more balanced pace. The opposition leader Kim Young Sam visited Moscow in June and met with Soviet officials in the first high-level political contacts between the two countries.

Mr. Kim, one of the "three Kims" of South Korea's opposition, also had a surprise meeting in Moscow with a senior North Korean official, Ho Dam. This was another sign of the dramatic spinoffs that Seoul is reaping from its openings to Moscow and Beijing, which have been North Korea's main arms suppliers.

Officials in South Korea want the contacts to go much further, dreaming of the day when Moscow and Beijing will agree to establish full diplomatic ties. From South Korea's perspective, this would mark the seal of global legitimacy that it has sought since rival Korean governments were set up in Seoul and Pyongyang several years after World War II.

But that day appears to be far away. Following the Tiananmen Square massacre, Beijing has moved away from the kind of reforms that would have brought it closer to South Korea and further away from Stalinist North Korea. And even with reforms continuing in Moscow, the strategic importance of North Korea, which has borders with both the Soviet Union and China, would appear to rule out any break with Kim Il Sung's government.

PETER MAASS is a special correspondent for The Washington Post based in Seoul.

Evictions Threaten the Poverty-Striken

Seoul's Renewal Forces Thousands From Homes

By Peter Leyden and David Bank

SEOUL — An eerie silence filled the valley of concrete rubble like the sound of a valley of death after a bomb strike. Heaps and heaps of smashed tiles and crumbled concrete stood where homes had stood just months ago. Roads that recently had snaked past busy shops and front doors now lay exposed to view. A lone child meandered through abandoned piles of trash.

"This is complete wanton waste," said Joe Maier, a Catholic priest working with the urban poor in Bangkok as he surveyed the ruins of an urban renewal area in Sadang-dong in south Seoul.

"No matter how rich a country is, they can't afford to destroy all this cement, all this work, all these homes," said Father Maier, who had just quietly trudged to the rim of the valley with a group of housing activists who had gathered from throughout Asia.

Said a befuddled Bill Keyes, who builds houses for the poor in Manila: "This was the kind of housing the rest of the world is trying to build."

Finding a good home and keeping it is an arduous task for the urban poor of Seoul. Already crowded into small houses that cling to the hills of the city and sharing a home with two or more families, the urban poor have spent the last several years fighting off brutal evictions.

Since 1983 when the city began a massive Joint Redevelopment Program, developers have overhauled 66 of the 216 targeted areas and 52 are now being developed.

About 138,000 people already have been forced off the land and about 220,000 are in the process of being removed, according to government figures.

Contributing to the evictions are private developers and landowners who want a share of the huge profits to be made in real estate. Land prices rose 27 percent in 1988 and large apartments in Seoul's exclusive Kangnam district have tripled in price in three years to about $500,000. Speculation is now rampant.

However, the brutality of some evictions and the determined resistance by the urban poor have recently caught the attention of the public. Given the atmosphere of democratization of the last two years, the government was forced to temporarily suspend the program at the end of last year.

To supplement it, the National Assembly recently approved a new home improvement program that doles out up to $4,500 to a family improving their own home in targeted areas.

"We didn't want to demolish any more housing in town," said Kim Jeong Ho, who works for the government's Korea Research Institute for Human Settlement and who was an architect of the new program. "You can't demolish any more housing — that's the only place they can live."

The Sadang-dong project was one of the last to get started, beginning with evictions and demolition in December. The project will build a complex of about 30 high-rise apartment buildings. Although one of the biggest projects, it is typical.

Most of the 2,500 poor families had lived in old but solid single-story houses with tiled roofs. A family of five survives on about $450 a month with the men usually working as day laborers and the women working as street vendors or something similar.

Many have fled from rural areas to the city in search of better jobs and better educations for their children.

Now about 330 families in Sadang-dong cling to what is left of their homes on the edges of the valley. They refuse to accept the $1,200 offered to them to relocate and they fight things that are sent to scare them off.

"We don't need money. We need a place to live," said Im Yong Gil, the leader of the remaining community.

The government reports that 2 million units of housing will be built by 1992. They will help fund 600,000 of those units for lower- and middle-income families at a cost of about $5 billion.

About 250,000 of those will go to families earning less than $350 per month and 80,000 of those are targeted for Seoul. The city's urban poor population is estimated at about 2 million and that of South Korea at about 6 million, according to the government. Seoul's squatters are estimated at 600,000.

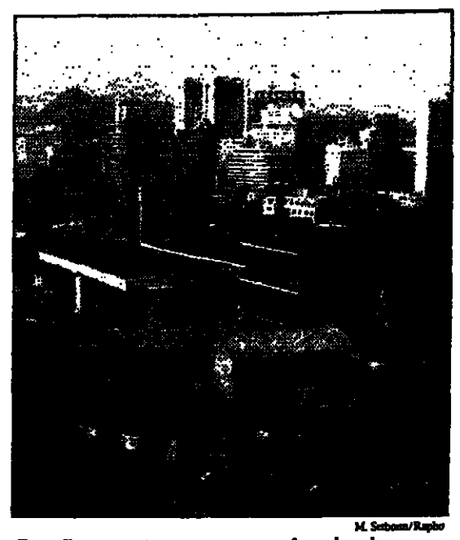
"The public housing is far short of actual needs," said Kwan Tae Joon, a urban planner at the prestigious Seoul National University.

The developers are much more interested in building the more lucrative housing for upper middle-income families, particularly through the joint redevelopment program.

The program joins the city, developers, and home and landowners in a lucrative partnership with incentives for all parties.

The developers sell off at market prices about one third of the apartment units they build. The city boosts taxes on the property and cleans up rundown neighborhoods. The homeowners have an option to move into the new units and the owners of surrounding land profit from the gentrification.

The only losers are the tenants, who do not have the money to buy into the new apartments. And they are not given nearly enough relocation money to find another home.



M. Setboun/Rapho

Seoul's massive program of redevelopment has sent real estate prices skyrocketing.

So the former tenants crowd into squatter settlements in the land remaining to be developed. The areas are called "Moon Towns" because they usually are up on the slopes of hills — the highest points of Seoul.

Now the tenants fight is with small landowners who want to get a piece of Seoul's booming housing market by reclaiming even the Moon Towns and building small apartment units. With scarce open land and an average of about one housing unit for every two families, Seoul's housing prices are skyrocketing.

The small landowners, rather than the big developers, are hiring the thugs to intimidate and aid in evictions.

In one such attempt in the middle of June, about a dozen thugs armed with sledgehammers appeared about 10 A.M. and climbed on the thin roofs of the shacks of a Moon Town in Seocho-dong, near Sadang-dong in south Seoul.

As the women screamed and tried to pull them off, the thugs ripped off the carpet and plastic and smashed through the cheap wood passing for home-made ceilings.

Choi Pil Yong, 45, looked at the heap of junk that only two hours before was her home and said: "We are treated like insects, but we are also Korean people."

Unrest, the Price of Success

Continued from page 7

Last spring, when the primary thrust was for union recognition, there were 1,008 disputes. The difference between this year and the two preceding years is that other factors have combined to slow down the economy.

"In 1987 it was quite all right. GNP had grown by more than 12 percent and exports increased by 30 percent," said Professor Park Young Ki of the Labor and Management Institute at Seoul's Sogang University. "In 1987, the average number of working days lost per strike was 3.5. By 1988, even though the number of strikes decreased, there were 11 working days lost on average. This year the economic environment is quite different. Instead of the three lows — low wages, low won and low raw material costs — you have three highs."

The Korea Development Institute estimates that the growth rate will slow to 8 percent this year and inflation will rise to 3 percent from 2.7 percent. This has, in turn, boosted domestic consumption, for so long repressed along with wages, by 10 percent.

Management's reaction to the more assertive work force has been to transfer manufacturing bases offshore to low-cost labor countries like Thailand and the Philippines and to switch to more high-tech, labor-paring industries. The consequent increase in unemployment, which is expected to rise 3.5 percent this year from 2.5 percent last year, could further affect social stability.

Workers have fought back with an explosion of new and more radical trade unions. For years the Federation of Korean Trade Unions had a monopoly in the field. In May 1987, there were a total of 400 unions. After June 29 that year, there were 2,700. Most of them rejected the umbrella of the federation, saying it was too conservative to protect workers' interests.

At the end of this month, a new national confederation will be formed which will encompass professionals such as nurses and university staff as well as subway and construction workers.

One reason for the explosiveness of labor disputes is the lack of legislative or administrative adjudicator facilities.

"For years you had a strong authoritarian government sitting on labor," said Mr. Chung. "Then Roh Tae Woo issued his June 29 [1987] declaration of democratization which said: 'Okay, you are on your own, work it out with your managers.' There was no shock absorber. We would have preferred mandatory adjudication."

So would the unions. "There is no working system to adjudicate disputes," said Harry Kamberis of the Asian-American Free Labor Institute. "The workers need to go on strike to enforce the Labor Standards Law. They can't just call up an inspector to complain if they're not receiving overtime. The government is abdicating its responsibility."

According to Mr. Kamberis, the lack of an objective third party works in the interests of employers, "by staying out of disputes, the government is leaving the employer free to violate the laws."

Mr. Kamberis points to the so-called "save the company squads." These are workers loyal to the company who beat up unionists and strikers. "They are a social evil," he said. "In other countries, anti-union elements don't act against their unionized colleagues because the employer would fire them. Here they are encouraged by the management."

The government, while urging employers to negotiate with their employees, hardly sets a good example. The country's largest employer, it is currently embroiled in a bitter battle with teachers wanting to form a trade union. Declaring that unions are "undignified" for the teachers of the nation's children, the government has arrested, dismissed or disciplined hundreds of teachers, including two who were seized by police from their hospital beds after a hunger strike.

Two Seoul high school students were seriously injured last month after leaping from a third floor classroom window in sympathy with a teacher who had been disciplined for union activities.

"The government's rationale is that teachers are not laborers and unions go against the value system of a Confucianist society," said Professor Park. "But that is not convincing at all. Teachers are salary earners. The principle of democracy is that everybody should participate in decision-making."

On the face of it, the unions' wage demands appear excessive. Demands for 50 percent to 80 percent increases are not uncommon. But this has to be set against a history of very low wages and a dramatic increase in the cost of living.

The consumer price index rose by 7 percent last year and is expected to rise by the same amount this year. Seoul property prices increased 30 percent over the past year. The unions estimate that the average blue-collar wage is 6,500 won ($45) a day. According to Mr. Kamberis, 40 percent of companies pay below the minimum wage of 144,000 won per month.

Meanwhile, millions of dollars are being made on the property market and the stock exchange. So while the blue-collar worker struggles to feed and house his family, he sees the real estate sharks and the stock exchange speculators being chauffeur-driven in imported Mercedes Benz and taking their holidays abroad.

"The government has to come up with a comprehensive policy for the redistribution of wealth," said Professor Park. "The tax system must be revised to make the rich pay and not the poor. The use of false names must be abolished. And the government must also come up with the will to enforce these laws with consistency."

LIZ McGREGOR, a Seoul-based journalist, contributes to The Independent and the Sydney Morning Herald.

Reuters

Plainclothes policemen break up a Seoul sit-in by teachers protesting the crackdown on their union activities.

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M. Seltzer/Kapio

Prostitutes, shown here in traditional dress, are often former factory workers.

Women's Slow Progress

By Liz McGregor

SEOUL — The smile stays fixed on Kim Kyong Im's face as she says, "I discovered that people could be so cruel. I was so distressed, and so disappointed, to see how our society treated women."

Ms. Kim is describing her colleagues' reaction when she became Korea's first woman diplomat, in 1974. Now, she is one of four, and the head of the cultural division of the department of foreign affairs.

"I had to work much harder than the men to be recognized and accepted," she says. "I let it be known to the decision-making groups that I would not be treated unfavorably."

Ms. Kim represents the new breed of Korean woman, some of whom have managed to break through the constraints of Confucian patriarchy. The family remains the cornerstone of the society; arranged marriages, often based on financial interests, account for more than half of all marriages. Women are expected to marry young, be virgin brides, and to quit work once they marry.

Progress — of a kind — is more evident among working-class women, in that an increasing number of married women are now found in the factories.

"There is a shortage of labor power in the younger age bracket," said Lee Kyo Chae, a professor at the Women's Studies Institute at Seoul's Ewha University. "As a result, more married women are employed in the industrial sector." Still, many Korean companies will not hire married women, and they put pressure on female employees to resign when they marry.

According to figures released by the Economic Planning Board, the average age of the female factory worker in 1986 was 25.5, as opposed to 22.7 in 1980. This reflects the higher proportion of married women. The average age of clerical workers is 23.7, and the number of women in the this sector has doubled since 1975.

"Offices have become more automated, and the work simplified and repetitive, so it is given to women," said Ms. Lee. "But the women occupy a low level of clerical job, and there is no promotion to managerial level."

For many working-class women, a job is a necessity. Many young women end up on the assembly lines of electronics and textile factories. Their bosses are male; their pay, poor. It is mostly from the ranks of factory workers that Korea's prostitutes are drawn.

Yu Bok-nim, coordinator of My Sister's Place, a counseling center for Korean women who are married to American GIs or serve them as prostitutes, estimates that there are between 800,000 and 1 million Korean women in the "service" industry. These range from outright prostitutes to bar and coffee-shop hostesses and female "barbers." A recent survey found a higher incidence of venereal disease among female barbers — about 5 percent — than among registered prostitutes.

The most common reasons for turning to prostitution, says Ms. Yu, are "unemployment, broken families and lost virginity."

The most iniquitous aspect of the prostitution trade is the human trafficking. Sex slave gangs kidnap young women off the street, subject them to brutal treatment to "tame" them, and then sell them to brothels.

"Human trafficking is the main problem we have to deal with," said Kim Yung Chung, second minister for political affairs, whose responsibilities include women's issues. Call girls, she points out, bring in foreign currency, and she says that in the 1970s the government ignored prostitution.

She is backing attempts to reform the antiquated and discriminatory Family Law, which is among the most discriminatory in Asia, according to Sonia Strawn of the Korea Legal Aid Center for Family Law. For instance, the head of the household is always the oldest male. In the event of divorce, the father is automatically given custody of the children and sole ownership of immovable marital property. Adultery is a criminal offense, but if a woman sues her husband for adultery, she has to file a simultaneous suit for divorce.

"She has a tough decision to make," says Ms. Strawn, an American who has lived in Korea for 30 years. "Either she puts up with his infidelity, or she loses her children and her home."

"Women," says Kim Kyong Im, "must participate in the decision-making process."

America's Role Now That of Scapegoat

By Peter Leyden and David Bank

SEOUL — There's a joke circulating here about an Englishman, a Frenchman, and a Korean. Each discovers his wife in bed with another man.

The Englishman quickly apologizes and shuts the door. The Frenchman flies into a rage and tosses the man out. The Korean rushes off and demonstrates in front of the American Embassy.

The joke picks up on a common assumption among South Koreans: that the Americans know everything going on in South Korea, that they could remedy all ills in South Korea, and that, consequently, they are somehow responsible for everything bad.

The South Korean notion of U.S. omnipotence is at the root of anti-American sentiment that recently has spread from radical students and intellectuals to many farmers and ordinary Koreans.

"The image of omnipotence is still very strong," said a Korean political scientist who has spent six years in the United States. "Even among radicals, they think that America is running everything in the country."

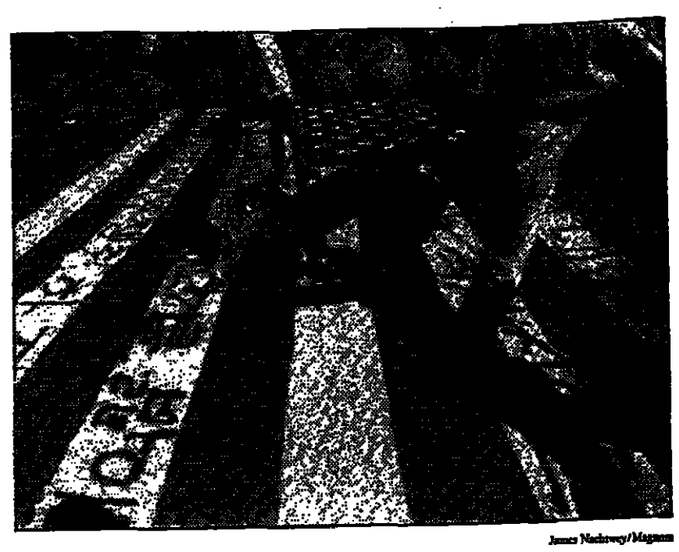
Anti-American sentiment essentially began with the Koreans' severe disappointment over the U.S. failure to intervene to stop Korean troops from slaughtering nearly 200 civilians in the bloody Kwangju massacre in May 1980.

Since then, many Koreans have come to believe that the Americans actually directed the massacre. Disappointment turned to outrage.

Partly to help dispel these notions, the U.S. government released on June 21 an unusually detailed report on what Americans knew and what they actually did during the Kwangju uprising. U.S. officials claim the report is unprecedented in revealing the inner workings of the embassy and the State Department.

"It's a case study of the limits of what Americans can do — the limits of American omnipotence," said a Western diplomat.

When the body of Lee Choi Kyu, a radical student activist, turned up in a reservoir outside Kwangju in May, radicals almost immediately turned to the United States.



James Nachtwey/Magnum

Protesting students walking across an American flag.

When a low-level State Department official innocuously said he hoped "the murderers" were caught, radicals took that not as sympathy but as proof that the Americans knew that police had murdered Mr. Lee. Prosecutors later determined that he had accidentally drowned.

Some radicals insisted that the United States had aerial photographs from spy planes that captured Mr. Lee's murder that night. They claimed the Americans must have tracked Mr. Lee by radar and known of his whereabouts through their spies. Said a young lawyer who graduated from the prestigious Seoul National University and who worked on the case: "The American government knows everything in Korea."

The history of anti-Americanism in South Korea takes some odd turns and differs markedly from that in other countries.

Before Kwangju, the ruling elite were the ones churning up the scant traces of anti-U.S. sentiment to protect their own interests. President Park Chung Hee, the South Korean dictator through the 1960s and 1970s, attacked President Jimmy Carter for challenging Seoul's human rights record.

However, South Koreans almost universally thought of the United States as a benevolent power that had been instrumental in saving them in the 1950-1953 Korean War and in rebuilding their economy.

"The point of departure for anti-Americanism was Kwangju," said Paik Young Chul, a professor of political science at Seoul's Kunkuk University. "Before that, there was no such anti-Americanism."

Unlike in other countries, South Koreans resented America when it did not intervene in their affairs and stop troops from killing civilians.

At the very least, they say the United States should have strongly condemned and isolated the authoritarian government of Chun Doo Hwan rather than give legitimacy to his actions by accepting his rule.

In their report, U.S. officials say they had very limited information on events in Kwangju, they were misled by military leaders in Seoul, and they had no legal means to stop the sovereign government from using their troops to quell civil unrest.

Since 1980, and especially with the last two years of increasingly democratic freedoms, Koreans have come to see the Americans as much more interventionist in their history.

Pressure Grows to Change Ties With U.S. Military

By Peter Leyden and David Bank

SEOUL — Commuters crammed into buses crossing the Tongjak bridge in morning rush-hour traffic are currently treated to the spectacle of U.S. soldiers in Bermuda shorts whacking golf balls around a spacious golf course.

The elevated bridge deadends on the edge of the huge U.S. military base in the city center and temporary exit ramps veer traffic around the base on the crowded streets below.

Perhaps no more. The bridge that was begun in the early 1980s may eventually be completed when the U.S. military turns over the golf course to the South Koreans next year and they turn it into a public park.

"No longer do buses jammed with Koreans have to see green grass and 20 Americans and 50 rich Koreans playing golf," said a U.S. military source who asked to remain anonymous. "They have a park, and more than a park, they have a victory."

As South Korea's economy has boomed and society rapidly developed, and as national pride and anti-Americanism have spread, pressure has built on the South Korean government to change the paternalistic military relationship with the United States.

Since World War II when U.S. armed forces took over the administration of the country from the Japanese occupation forces, Americans have dominated the relationship. Since the 1950-53 Korean War, they have maintained a permanent, high-profile presence. More than 43,000 troops are stationed here.

Their spacious central base sits on some of the most valuable land in this crowded city. Their television channel is the strongest and sharpest. Americans are rarely prosecuted in Korean courts. Korean armed forces are ultimately headed by an American.

All these terms were set at least 20 years ago when South Korea was severely underdeveloped. South Koreans now want to change the inequalities — although some changes will be fraught with logistical difficulties.

"We wrote you a blank check," said a Foreign Ministry official involved in renegotiating the relationship. "Now we need some adjustments."

Since early 1988 when President Roh Tae Woo prodded high-level visiting U.S. officials, negotiations have proceeded on several levels in four main areas:

- The U.S. Army base. The sprawling 630-acre (254-hectare) military base and housing for dependents in Yongsan district sits squarely in the geographic center of the city and takes up almost as much area as the island housing the financial district and the National Assembly.

Both sides have agreed in principle that the entire base should be moved outside Seoul by the mid-1990s. However, they have not agreed on who should pay the staggering costs of building facilities of the same caliber — including another golf course.

In May, the Korean government announced that the 18-hole golf course would be turned over to the Koreans by October 1990. Some think that will be enough to delay the entire relocation indefinitely.

"Once the Koreans get the golf course, this is the token they need," said the U.S. military source.

- The U.S. television station. The station broadcasts throughout the peninsula and has the lowest and best frequency because it was the first.

"The Koreans are saying: 'Here's our best channel aimed at 43,000 Americans, and we have 43 million Koreans settling for second best,'" said the military source.

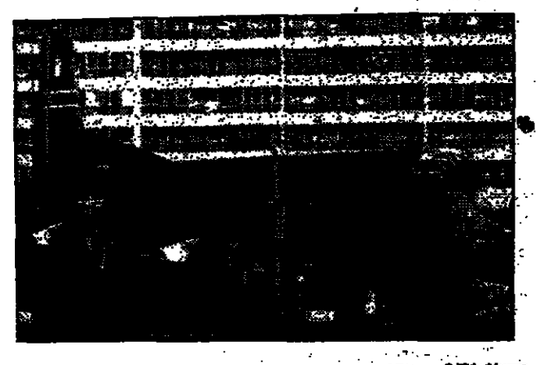
Koreans want the channel and they want the Americans to shift to cable television by next year. The deal has yet to be formally struck.

- The legal status of U.S. soldiers. The Americans have automatic legal jurisdiction over GIs committing crimes on U.S. bases and even outside the bases. Even with serious crimes such as murder the Koreans must inform the Americans that they will prosecute a suspect in Korean courts.

A committee of Koreans and Americans that has been working since December will soon make recommendations for change.

- Command of the Korean Armed Forces. The combined staffs of the armed forces are headed by an American four-star general. In time of war, Korean armies are ultimately controlled by an American.

A delegation of Korean military officials are expected to talk about altering this command structure when they visit Washington for annual talks this month.



Cahlifer/Magnum

An American plane in Seoul: A new home in the offing?

All these adjustments may turn out to be short-term remedies. The U.S. Congress is raising the possibility of a gradual withdrawal of U.S. forces from South Korea in the 1990s. However, both sides are committed to the current level of troops for now.

Meanwhile, the golfers are enjoying their course and seem unperturbed about the move.

"I guess I can sacrifice my golf for the Seoul citizens," said Randy Lee, a Korean-American, after he sunk his putt and climbed into his golf cart.

Besides, he said, "They promised us that they would give us a better course."

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MEDIA MARKETS

Has Advertising Become Obsessed With Comedy?

By RANDALL ROTHENBERG
New York Times Service

NEW YORK — Ever since the 1989 advertising awards season began, advertising executives have been sounding like the comedian Steve Martin, muttering that "comedy is not pretty." It started after the One Show in early June, when the profusion of side-splitting headlines and oddball television characters prompted Adweek to report that "creatives see too much goofiness in award winners."

Later, after comic commercials dominated the International Advertising Film Festival in Cannes, Jack Trout and Al Ries, marketing consultants, warned in Advertising Age, "What David Ogilvy described as a 'disease called entertainment' has become a plague threatening the very fabric of the industry."

And David Altschiller, the copywriting cofounder of Altschiller Reitzfeld Davis/Tracy-Locke, said on Friday: "Comedy is inherently intrusive, and given the clutter on TV one can make a strong argument for using it. But a lot of us feel that much of the comedy we've seen recently is only comedy for comedy's sake. It doesn't illuminate the product."

Humor is a crucial weapon in the creative arsenal because it is surprising.

Cliff Freeman wants to defend the craft of mirth-making. "How many times can you use drama in commercials?" asked Mr. Freeman, chairman and executive creative director of Cliff Freeman & Partners, a subsidiary of Saatchi & Saatchi. "It's easy to sell sentiment to clients and go for the heartstrings, but you put it on film, it looks the same as everything you've seen before."

With rhetorical flourish, he asked, "How many naked men hugging babies can you watch?"

Mr. Freeman's argument is biased, and well it should be. At Dancer Fitzgerald Sample, he devised the classic comic commercials "Where's the Beef?" and "Russian Fashion Show," both for Wendy's International Inc., the hamburger chain.

With his own agency, he created the television ads for Little Caesar's pizza restaurants — one spot features a manic, squawking counter clerk folding a pizza box into the shape of a pterodactyl — that won this year's One Show gold pencil for the best 30-second television campaign.

IN 1988, HIS WORK FOR Philips Lighting Co. — showing the comic consequences of a lightbulb burning out prematurely — won the Clio award for best television campaign.

To Mr. Freeman, humor is a crucial weapon in the creative arsenal because it is surprising. "The worst thing you can say about a work is, 'Oh, I've seen that before,'" he said.

Moreover, comedy is timeless "because it's almost always based on some human relationship or frailty," he said. These eternal verities often allow humorous campaigns to continue for a long time, building value into the advertising idea and, implicitly, into the product itself.

Mr. Freeman cited Chiat/Day's ads for Nynex Corp. Yellow Pages — the hilarious charades that illustrate phone book categories and the slogan, "If it's out there, it's in here" — as a campaign "that can go on forever."

It's not only humor that survives the test of time, of course. Eastman Kodak Co.'s "Times of Your Life" ads have been running for decades, a testament to the durability of sentiment. But Mr. Freeman insists that a look back on what he calls "the golden age of advertising" — an era only 20 years gone — will show that the most memorable advertisements were, and remain, funny.

"People respond to comedy," Mr. Freeman said. Witness Walter Mondale's devastation of Gary Hart during a debate in the 1984 Democratic primary campaign, with "Where's the beef?"

Brazil Overdue On Debt

Bank Payments Effectively Halted

Reuters

SAO PAULO — Brazil, the developing world's biggest debtor, said Tuesday it was overdue on $800 million in interest payments to the Paris Club of creditor governments, and bankers said the nation's payments to commercial banks have effectively been halted.

On Monday, Brazil consolidated all its foreign exchange operations in the central bank to protect its foreign exchange reserves, which a leaked government document said amounted to $5.6 billion. The new system began to operate Monday.

"It is basically saying, 'Look, we don't have the money, fellows,'" said Dick Hayes, a Bank of New England representative in Brazil. "In a sense, payments are stopped to the private sector," he added.

Rosa Dalcin, a Finance Ministry spokeswoman, confirmed that Brazil was overdue on interest payments of about $800 million to the Paris Club. "It will be paid as soon as reserves permit," she said.

Ms. Dalcin said that Brazil was currently up to date with interest payments to banks, but Finance Ministry officials acknowledged that this could change with the new system of centralized foreign exchange operations.

Bankers say the centralization of

See DEBT, Page 12

Behind the Television Screen

Jonathan Player/The New York Times

Michael Green, the chairman of Carlton, which leads the lucrative television support industry.

Carlton Leads In Lucrative Support Field

By Steve Lohr
New York Times Service

LONDON — Carlton Communications PLC is scarcely a household name.

But chances are that most households in the United States or Britain that have recently watched a movie, home video or television have had their screen entertainment enhanced, edited, processed or duplicated at some stage by Carlton or by Carlton-made equipment.

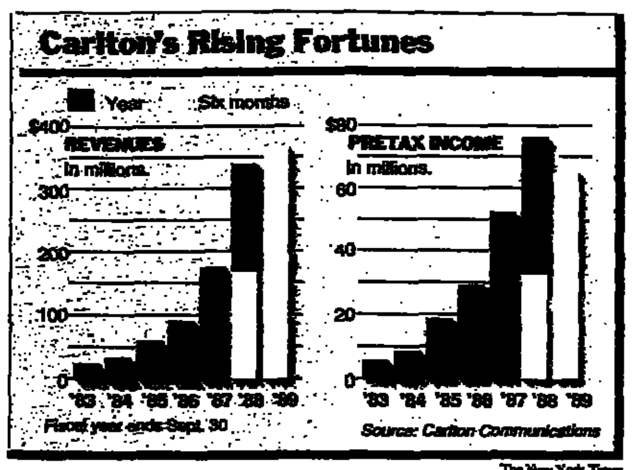
Carlton has become a leader in an increasingly lucrative business perhaps best-described as television's backroom: providing support services and equipment to the fast-changing video industry.

The world television market is growing rapidly, fueled by technological advances, changing viewing habits and deregulation, especially the opening of more commercial channels in Europe.

Although many companies cater to television's needs, ranging from such major equipment makers as Sony Corp. and Ampex Corp. to small, independent producers, much of the television-support industry is highly fragmented.

Carlton, by contrast, now occupies much of television's backroom, supplying everything from stage props to sophisticated spe-

See CARLTON, Page 13



The New York Times

Bonn Posts Rise In May Trade Surplus Figure

By Richard E. Smith
International Herald Tribune

FRANKFURT — West Germany announced Tuesday that it posted a massive trade surplus in May, making a record imbalance in 1989 a virtual certainty and giving Group of Seven leaders another reason to confront the thorny problem of unequal trade at their summit in Paris next week.

West Germany said its trade surplus rose to 10.5 billion Deutsche marks ($5.43 billion) in May, up from 9.9 billion DM in April and 10.3 billion DM in May 1988.

The surplus in the current account, which adds trade in services to that in goods, rose to 8.6 billion DM in May from 7.7 billion DM in April and 7.5 billion DM in May 1988.

Even more significantly, the merchandise trade surplus for the first five months of 1989 showed an increase of 25.3 percent from the corresponding period in the previous year, to 56.4 billion DM.

"The surplus is enormously high, especially when you take into account the fact that May includes many holidays in West Germany," said Peter Pietsch, an economist with Commerzbank.

The Group of Seven industrial nations has been pressing West Germany and also Japan for some time to reduce their large trade surpluses. West Germany has been successful in cutting its surplus with the United States, but its imbalance has increased with Western European countries.

Estimates for the trade deficit for the year range from 130 billion DM to 150 billion DM, widening from 128 billion DM in 1988.

The booming German economy, with industrial capacity nearly at full steam and unemployment figures beginning to fall, fueled exports of 51 billion DM in May, up more than 7 percent from the same month the previous year.

Some analysts said the growth of the trade surplus could slow but cautioned that statistical factors would play a role. "The rise was sharp in the first quarter of this year and slowed down in the second quarter, but, in fact, growth was steady and was distorted by technical changes in the statistics," said Ernst-Moritz Lipp, chief economist of Dresdner Bank.

Economists pointed out that West German accounts are also beginning to show strong returns from investments abroad.

"Over the last four years, West Germany has exported capital of about 300 billion marks, and the returns on these investments are becoming substantial," said Ulrich Hombrecher, chief economist of Westdeutsche Landesbank in Düsseldorf.

World Bank Targets the Need for Financial Reform in the Third World

By Hobart Rowen
Washington Post Service

WASHINGTON — With their financial systems in disarray, heavily indebted Third World nations are not likely to receive sufficient funds through the means proposed by Treasury Secretary Nicholas F. Brady, according to a new World Bank report.

The 1989 World Development Report, officially released Wednesday, challenges a key tenet of the so-called Brady plan, saying it would not necessarily lead to a new influx of cash for developing countries.

The U.S. plan calls on foreign banks to write off some debts, helping create the conditions for more productive investment in indebted countries. It also calls on banks to step up new lending.

But Third World nations could not count on increased investment even if reduction of their foreign debts made them more creditworthy. "All the evidence points to continued low capital flows to the developing countries in the coming decade," the report said.

Millard Long, principal author of the World Bank report, argues that Third World countries must face the reality that their financial systems "are today in disarray."

What makes the weak state of the poor nations' financial systems significant is that over the next 30 years or more, they will have to depend increasingly on their own resources, mobilized by their own domestic banks, the report said. This will be the case even if present efforts to reduce Third World debt are successful.

The main question raised in the report is whether the crumbling banking systems in the poor countries will be up to the task they face in the recovery of their economies.

"For several decades after World War II," the report says, "regulation of the financial system in developing countries was designed to control the economy rather than foster the safety and soundness of banks." In most poor countries, these banks are controlled by the governments, which allocate credit and set interest rates.

"To operate efficiently, financial institutions and markets have to be guided primarily by market forces rather than government directives," the report concludes. But this implicit call for a shift away from public to private banking will raise sensitive political issues in many Third World countries.

One section of the report, entitled "How Good Bankers Become Bad Bankers," offers the equivalent of a cram course on how to take a sound bank and make it unsound, ranging from "cosmetic" efforts to hide losses to outright fraud.

"We know what needs to be done," Mr. Long said. "The measures that need to be followed in these developing countries are very similar to what needs to be followed to solve the problem in the United States: You have to decide how to allocate these losses, and in most cases we know that it's not the deposit holder being asked to pay those losses, but the taxpayer."

In addition, the countries need to build, in some cases from scratch, "a system of prudential regulation to discourage fraud and mismanagement," Mr. Long said. He and Mr. Fischer suggested that some countries would be helped by "financial liberalization," meaning a movement away from public to private banking, with less emphasis on capital controls.

Currency Rates

Cross Rates *July 4*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.1695	3.44	1.1272	0.3332	0.1557 *	—	5.386 *	1.3126	1.5317 *
Brussels(a)	40.29	63.8725	20.9325	6.168	2.8901 *	18.573	—	24.3925	0.2846
Frankfurt	1.924	3.052	—	0.2947	0.1382 *	0.8872	4.777 *	1.1637	1.359 *
London (b)	1.5878	—	3.0538	10.366	2,210.50	3.439	63.975	2.615	224.83
Milan	1,393.60	2,208.35	724.18	213.21	—	642.37	34.584	843.51	9.832
New York(c)					Closed				
Paris	6.5325	10.357	3.394	—	0.4689 *	3.0115	0.1622	3.9543	4.6095 *
Tokyo	140.70	223.43	73.32	21.61	0.1013	65.06	3.4995	85.48	—
Zurich	1.6497	2.6177	0.8582	0.2527	0.1184 *	0.7612	4.0999 *	—	1.1469 *
1 ECU	1.0759	0.6782	2.0703	7.0268	1,498.85	2.3334	43.3351	1.7769	152.403
1 SDR	1.2537	0.80	2.4262	8.2377	1,760.84	2.735	50.8172	2.08	181.416

Closings in London, Tokyo and Zurich, fixings in other centers.
*a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	250.00	Fin. markka	4.3675	Mex. peso*	2498.00	S. Afr. rand	2.77
Austral. $	1.3225	Greek drac.	166.70	N. Zealand $	1.7346	Soviet ruble*	0.6426
Austr. schil.	13.63	Hong Kong $	7.7965	Nig. naira*	5.2995	Span. peseta	122.20
Brazil cruz.	1.493	Indian rupee	16.39	Norw. krone	7.0765	Swed. krona	6.5840
Canadian $	1.1962	Indo. rupiah	1761.00	Phil. peso	21.812	Taiwan $	25.67
Chinese yuan*	3.7221	Irish £	0.7283	Port. escudo	161.90	Thai baht*	25.83
Danish krone	7.524	Israeli shek.	1.97	Saudi riyal*	3.7491	Turkish lira	2109.25
Egypt. pound	2.5582	Kuwaiti dinar*	0.2945	Sing. $	1.961	UAE dirham*	3.6701
		Malay. ring.*	2.6914	S. Kor. won	659.42	Venez. boliv.	36.25

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5713	1.5656	1.5595	Canadian dollar	1.1992	1.2019	1.2046
Japanese yen	140.56	140.13	139.74	Swiss franc	1.6516	1.6474	1.6450
Deutsche mark	1.9238	1.9206	1.9176				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *July 4*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9¼-9⅜	6 ⅞-6 ⅞	7 ⅛-7 ¼	13⅞-13⅞	9 ⅛-9 ¼	5 ⅛-5 ¼	9 ⅛-9 ¼	8¼
2 months	9 ⅛-9 ¼	6⅞-7	7 ⅛-7 ¼	13⅞-13⅞	9¼-9½	5¼-5⅜	9⅛-9⅜	8 ⅛
3 months	9⅛-9¼	6⅞-7	7 ⅛-7 ¼	13 ⅞-14 ⅛	9¼-9½	5⅜-5½	9 ⅛-9 ¼	8 ⅛
6 months	8⅞-9	7-7⅛	7 ⅛-7 ¼	14-14⅛	9¼-9½	5⅜-5½	9 ⅛-9 ¼	8 ⅛
1 year	8⅝-8⅞	7 ⅛-7 ¼	7-7⅛	13 ⅞-13 ⅞	9¼-9½	5⅜-5½	9¼-9⅜	8 ⅛

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *July 4*

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	11.00	11.00
Federal funds	Clsd.	9 7/16
Comm. paper 30-179 days	—	8.25
3-month Treasury bills	—	7.94
6-month Treasury bills	—	7.67
3-month CD's	—	8.70
6-month CD's	—	8.65
Japan		
Discount rate	3¼	3¼
Call money	5 1/16	4 31/32
1-month interbank	5 11/32	5 5/16
3-month interbank	5⅜	5 13/32
West Germany		
Discount rate	4½	4½
Lombard rate	7.00	7.00
Overnight rate	7.00	7.05
1-month interbank	7.05	7.05
3-month interbank	7.10	7.10
6-month interbank	7.15	7.15
Britain		
Bank base rate	14.00	14.00
Call money	13¾	13⅞
1-month interbank	14 1/16	14 1/16
3-month interbank	14 1/16	14 1/16
France		
Intervention rate	8¾	8¾
Call money	9 7/16	9⅛
1-month interbank	9⅛	9¼
3-month interbank	9¼	9¼
6-month interbank	9⅜	9 5/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits *July 4*

1 month	9¼ - 9½
2 months	9 ⅛ - 9 ¼
3 months	9⅛ - 9¼
6 months	8 ⅞ - 9 ⅛
1 year	8 ⅝ - 8 ⅞

Source: Reuters.

U.S. Money Market Funds *July 3*

Merrill Lynch Ready Assets
30-day average yield: 9.15
Telerate Interest Rate Index: 8.799
Source: Merrill Lynch, Telerate.

Gold

July 4

	A.M.	P.M.	Ch'ge
Hong Kong	378.05	378.85	+ 2.50
Luxembourg	378.00	—	+ 2.60
Paris (12.5 kilo)	379.17	378.52	+ 2.19
Zurich	377.95	377.25	+ 2.40
London	377.50	376.25	+ 1.75
New York	—	Clsd.	—

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Coffee Price Plunges as Pact Ends

Compiled by Our Staff From Dispatches

LONDON — Coffee prices plunged to eight-year lows on Tuesday after the collapse of a 25-year price support pact.

Coffee for delivery in September dropped £90 ($142) a ton at the opening of the London market to £850, the lowest in eight years. Prices later found some support and bounced back to £880, but ended at £878. Prices had fallen about £75 a ton on Monday.

Before it became clear the 74-nation international coffee agreement was likely to be scrapped, prices had generally held above £1,000 a ton.

"The news is negative and the immediate reaction very predictable," said Laurence Eagles, an analyst at Gerrard & National Intercommodities.

Selling was particularly heavy in London on Tuesday because the New York market was closed for the Independence Day holiday.

Late Monday, the International Coffee Organization decided to suspend for two years export quotas, which had been used to regulate supplies to the oversupplied world market to guarantee stable prices.

This effectively threw world coffee prices to the mercy of the free market. The move came after more than a year of negotiations had failed to bridge a gulf between Brazil, the world's biggest coffee producer, and the United States, the leading consumer.

The United States, supported by producers of mild coffee varieties, wanted to be allowed to buy more mild coffees, but producers of robusta coffee were worried it would cost them market share.

Analysts have already said they expected suspension of the pact to bring large supplies of the increasingly popular mild arabica coffee onto the market.

Export quotas have been in force since the early 1960s, apart from a 19-month break in 1986-87 and a six-year gap in the 1970s. They are used to maintain the average world price above a target minimum of $1.20 a pound.

During the negotiations, there was disagreement over producers selling coffee to countries outside the agreement — mainly East Bloc and Middle Eastern states — at cheaper rates than those paid by member countries.

Falling prices mean additional problems for the producer countries, mainly indebted African and Latin American states.

"With the weight of coffee in the world it seems to me that a price war could break out," said Tony Wood, the director of Rwandex, a private coffee-trading firm in Kigali, the capital of Rwanda. *(Reuters, AP)*

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RTZ Stock May Receive Boost

Gold Fields Buyout Could Send Investors to Mining Rival

Reuters

LONDON — RTZ Corp.'s stock market rating is likely to be enhanced as a result of the expected takeover of Consolidated Gold Fields PLC by Hanson PLC, analysts said Tuesday.

The Hanson bid for Gold Fields, which many analysts believe will go through at a price just above the current £3.1 billion ($4.88 billion) cash offer, will leave RTZ as the only British mining stock open to investors.

"If institutions redirect a tenth of the funds they get from the takeover into mining, it would put RTZ's share price up by 23 pence," said Mark Wood, an analyst at Kleinwort Benson Ltd.

RTZ shares rose 16 pence to 505 pence on June 22, the day Hanson announced its 1,430 pence-per-share bid for Gold Fields, suggesting that the market expected RTZ to reap some of the rewards of the takeover. RTZ shares closed at 493 pence on Tuesday, up from 486 pence.

Because RTZ would be the only British mining company left in the mining/finance sector after a Hanson acquisition of Gold Fields, the company is likely to be transferred to a different market sector, analysts said.

Most added that a transfer would mean a rerating for the company.

It was uncertain which sector might eventually take RTZ, but speculation has focused on the industrial sector, which has an average price/earnings ratio of about 8.5 compared with five for the mining sector.

"There might be a transfer of money into RTZ," said Jane MacKelvie, an analyst at Barclays de Zoete Wedd. "It brings the mining sector to the fore as far as investor awareness is concerned."

She said that RTZ's market enhancement would also make people aware of the benefits of its recent £4.3 billion takeover of British Petroleum Co.'s minerals assets.

The deal announced last January will substantially raise RTZ's share of copper, uranium and gold output among western producers.

"The deal shows that mining companies are a profitable and desirable business to be in," Ms. MacKelvie said.

An RTZ spokesman said it was too early to comment on the possible implications for the company of the Hanson bid for Gold Fields.

Duncan Balmer, an analyst at UBS/Phillips & Drew, said the the performance of RTZ's shares would be influenced by the outcome of the Hanson bid.

Mr. Balmer said RTZ merited a rerating regardless of the impact of the Hanson bid. "It's a cheap stock and people overestimate the negative effect on metals prices from economic recession," he said.

■ Western Mulls Mine Stake

Western Mining Corp. of Australia is considering taking full control of the Olympic Dam uranium mine from its joint-venture partner, British Petroleum Australia Ltd., Agence France-Presse reported Tuesday.

A BP spokesman said that Western Mining, 51-percent shareholder and operator of the mine in South Australia, had until the end of September to decide whether to buy BP's 49-percent stake.

BP's sale of its mineral assets to RTZ did not include the Olympia Dam mine.

Reed Seeks Rise in Limit On Borrowing

Reuters

LONDON — The British publishing company Reed International PLC, hungry for growth through acquisition, will propose that shareholders allow it to increase its borrowing limit.

In resolutions set for the company's annual meeting on July 26, Reed is seeking an increase in maximum permitted borrowings to £3.67 billion ($5.8 billion) from £2.2 billion. That is an increase to 2.5 times equity from 1.5 times equity.

Reed said in its annual report that current borrowing powers were too restrictive for a company that wants to expand by acquisition.

The company's most recent purchase, two months ago, was of the Travel Information Group, a part of Rupert Murdoch's extensive publishing empire.

Last September, Reed expressed an interest in acquiring the British publishing conglomerate Pearson PLC.

U.K. Brewer Purchases Dutch Stake

Agence France-Presse

LONDON — Scottish & Newcastle Breweries PLC announced Tuesday that it had acquired 65 percent of Center Parcs, a Dutch company that operates holiday villages, in a deal valued at £218 million ($343.7 million).

The brewer also said it was selling off its Thistle chain of hotels and spending £60 million to purchase 50 percent of Pontins, a British holiday camp concern.

Scottish & Newcastle, which recently escaped an unwelcome takeover attempt by the Australian brewing group Elders IXL Ltd., reported pretax profit of £138.2 billion for the year ended April 30, a year-to-year increase of 22 percent. Revenue for the year rose 12.7 percent, to £1.03 billion.

The results were close to expectations. Scottish & Newcastle shares fell four pence to 333 pence on the London Stock Exchange after the announcement.

The company said the acquisition of the Center Parcs stake would be paid for in cash from its reserves and possibly through borrowing. The Dutch business, which had pretax profit of £17.6 million in its last fiscal year, owns holiday villages in the Netherlands, Belgium, France and Britain.

Sir David Nickson, chief executive of Scottish & Newcastle, said the company expected strong results from its leisure sector. However, its activity remains dominated by brewing.

Korean Firm Takes Loss on Project

Agence France-Presse

SEOUL — The debt-ridden Korea Heavy Industries & Construction Co. stands to lose $115 million on a construction project in the United Arab Emirates, a company spokesman said Tuesday.

The state-run company had to stop building a power plant and an adjacent desalination facility in Gebelali, which is about 25 kilometers (15 miles) from Dubai, after the construction cost far exceeded its bidding price, the spokesman said.

The firm has spent about $200 million on the project and has completed 88 percent of the construction work. It won the project in 1986 with a bid of $130 million from Dubai Electric Co.

The spokesman said that construction costs rose sharply as the company had to make changes demanded by Dubai Electric.

The appreciation of the South Korean currency against the dollar, increases in the prices of raw materials and wage hikes contributed to the rising cost, the company said.

Industrial sources said that the ability of the Korean company, which had little experience in large projects abroad, was questioned when it bid for the contract. They added that the bidding price was also too low.

The United Arab Emirates, demanding that the company finish the project, claimed $80 million in compensation last June and threatened to ban all South Korean concerns from doing business in the country.

The builder has offered to compromise, asking for a $45 million loan from the Abu Dhabi government to complete the work.

The South Korean government is trying to privatize the company.

France's La Cinq Facing 'Worrying' Loss for '88

Agence France-Presse

PARIS — The financial situation of La Cinq, the private French television channel, is "extremely worrying," a French official said Tuesday. He said losses for 1988 would be about 795 million francs ($120 million).

The channel is expected to be fined for infringements of its charter, in particular for screening too many U.S. soap operas and not enough locally made programs.

DEBT: *Brazil Falls Behind on Payments to Paris Club*

(Continued from first finance page)

foreign exchange in the central bank amounts to a suspension of debt payments to private banks.

They said that about $3.7 billion of interest payments on medium and long-term loans will fall due in the second half of this year.

Last Saturday, the Brazilian newspaper O Estado de São Paulo published a document on debt policy options, which it said had been sent by the Finance Ministry to Brazilian embassies.

Ms. Dalcin denied that the document had been sent to embassies or that it was necessarily a document of the Finance Ministry, but acknowledged it had been drawn up by a government expert.

The document said that Brazil's reserves have been stable since May at about $5.6 billion, but noted there were indications that they could drop significantly in the weeks to come.

It noted that Brazil had payments due to the Paris Club of $232 million on June 30 and $580 million on July 3.

The document added that profits, dividends and other money remitted abroad in the first half of this year reached $2 billion, compared with $1.8 billion for all of 1988.

At the heart of Brazil's cash flow problems is its failure to reach an accord with the International Monetary Fund, which is unhappy about its failure to meet promised targets this year.

The government said it would keep the public deficit to 2 percent of gross domestic product, but analysts predict it could reach 8 percent.

Considering the options open to Brazil, the document says it would not be advisable to suspend interest payments to multilateral organizations such as the IMF and the World Bank, or to the Paris Club.

The document takes a clear stance that suspension of interest payments to banks would produce less political fallout.

But last week, Maílson Ferreira de Nóbrega, Brazil's finance minister, said the country would take any measures necessary to protect its reserves.

RWE Sets Restructuring Program

Reuters

ESSEN, West Germany — Rheinisch-Westfälisches Elektrizitätswerk AG, West Germany's largest supplier of electrical power, said Tuesday it would adopt a restructuring program to boost its competitiveness.

A company statement said that under the restructuring plan, RWE would act as a holding company for five divisions: energy, mining and raw materials, oil and chemicals, machinery and industrial plant construction and waste disposal.

The restructuring will become effective early next year after being approved by a shareholders' meeting on Jan. 18, the company said.

"In order to secure our competitiveness on the national and international markets we need a new company structure," the RWE statement said.

"RWE has developed in the last decade from a local electricity firm to a company which fulfills the role of an energy supplier, but is a top company involved in several industry branches at the same time," it said.

Energy activities will be combined in a new company, RWE Energie AG, the statement said.

The Rheinische Braunkohlenwerke AG unit, which now groups the raw materials and mining operations, will be given a new name, Rheinbraun AG.

The oil and chemical sector obtained by RWE through the purchase of Deutsche Texaco AG, has already changed its name to RWE-DEA AG and is based in Hamburg.

Waste disposal activities will be concentrated in RWE Entsorgung AG. This will include Trienekens Entsorgung GmbH, in which RWE took a 49 percent stake this month.

Lazard Establishes Fund For Friendly Buyouts

Reuters

PARIS — Lazard Freres & Co. said Tuesday it had set up a 1.8 billion franc ($274.0 million) investment fund with a group of European financial institutions.

Lazard said the fund would take friendly equity positions in European companies. "These capital investments will be made principally in transactions such as leveraged buyouts and management buy-outs," it said.

Aerospatiale Buys ES2 Stake

Reuters

PARIS — The French aerospace concern Aerospatiale has bought a stake in European Silicon Structures, a maker of specialized semiconductors based in Munich, ES2 said.

The company gave no financial details, but industry sources said the investment totaled $5.3 million, which is roughly 10 percent of the company's capitalization when it was formed in 1985 by a consortium of European industrial giants.

ES2 said Aerospatiale would join its existing partners, which set up the company in 1985 to make custom-designed application specific integrated circuits.

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Dollar Sinks in European Trading

Reuters

LONDON — The dollar fell against most major currencies on Tuesday, but trading was lackluster since U.S. markets were closed for the Independence Day holiday.

Dealers said the dollar dropped on continuing speculation that the U.S. Federal Reserve Board would ease its credit policies this week following recent signs that the economy was slowing down.

They said that the general market view was that the central bank would decide to lower the key federal funds rate by a quarter of a percentage point when its policy-making committee meets on Wednesday and Thursday.

The dollar closed in London 1.9230 Deutsche marks, down from 1.9305 DM on Monday, and at 141.55 yen, unchanged for the day.

The British pound firmed to $1.5878 from $1.5765 on Monday.

The U.S. unit also finished at 1.6470 Swiss francs, down from 1.6570 francs, and at 6.5225 French francs, down from 6.5525 francs.

Dealers said that the dollar's weak performance in recent days has stemmed from its behavior in the Tokyo markets, where the Bank of Japan has continued to sell the currency in very large amounts.

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	1.9230	1.9305
Pound sterling	1.5878	1.5765
Japanese yen	141.56	141.55
Swiss franc	1.6470	1.6570
French franc	6.5225	6.5525

Source: Reuters

Dealers said that weakness has carried over into the European and North American markets, because of fears of central bank intervention in those markets — possibly on behalf of the Bank of Japan.

They said that if the Fed overtly its eases policy, the dollar's weakness is likely to become more pronounced.

"If the market confirms the Fed easing of credit, the dollar may breach support at 140.50 yen," said Tsuneo Ohmori, senior manager at Sanwa Bank.

Dealers say Japanese political worries will continue to cast a shadow over the yen, but the importance of the political factor may weaken in the near future before reviving again before the July 23 legislative elections in Japan.

Dealers said the market will be watching the U.S. employment report for June, which is due Friday, for further clues to the economy's performance.

They said a report that is stronger than expected could prompt the Fed to delay any changes in policy. A report suggesting any economic weakness, however, is likely to be followed by a move to ease credit.

German Inflation Cited

Leonhard Gleske, a Bundesbank board member, said that the increase in interest rates by the German central bank last week was intended to counter future inflationary pressures caused in part by high capacity utilization, Reuters reported from Frankfurt.

"Monetary policy cannot orientate itself to the figures which are already on the statisticians' tables, but must look ahead to future perceptions of inflation," Mr. Gleske told economic journalists late Monday.

The fact that other European countries also raised rates after the Bundesbank move was a sign that they, too, were stressing a stable economic environment, Mr. Gleske said.

Taiwan Sells U.S. Dollars To Diversify

Reuters

TAIPEI — Taiwan has sold U.S. dollars and bought more yen, Deutsche marks and other currencies to diversify its foreign exchange reserves and prevent further losses from dollar holdings, the central bank said Tuesday.

The reserves, the world's second largest after Japan, now stand at about $74 billion, down from $76 billion, a senior central bank official said.

"It's our policy to adjust our currency reserves to avoid risks and exchange rate losses," the official said.

The central bank has lost at least 500 billion Taiwan dollars ($19.5 billion) since early 1986 as the local unit surged more than 50 percent against the U.S. currency.

The official said the bank continued to buy the depreciating U.S. dollar in an effort to slow the rise of the local unit.

CARLTON: *U.K. Firm Becomes Leader in TV's Backroom Business*

(Continued from first finance page)
cial-effects equipment to programs.

Michael Green, the company's 41-year-old chairman, has assembled a broad range of specialized firms to cash in on many growth opportunities. Carlton's customers include the major Hollywood studios, television networks and stations in Britain and America, and advertisers.

"Carlton is sitting right in the center of the television revolution," said Jason Crisp, an analyst for County NatWest Securities Ltd. in London.

Jessica Reif, an analyst for CL Global Partners Securities Corp. in New York, observed, "Green has positioned Carlton to benefit from almost every aspect of the growing television market. And while its subsidiaries face plenty of competition, there is nobody that competes with Carlton across the board."

Carlton took another step to increase its stake in the television-support business in May, when it agreed to pay £513 million ($809 million) in cash and stock for UEI PLC, a leading supplier of equipment to process digital signals for the television industry.

At the time UEI's chairman, Peter Michael, said the combined companies would be "the international technology company of the future."

It was Carlton's second major acquisition in less than a year. In October, the company paid $780 million for Technicolor Inc., the world's largest duplicator of video cassettes, based in North Hollywood, California.

Since 1983 Carlton, which began as a London photographic studio two decades ago, has made a string of acquisitions to position itself in the television services business. These acquisitions included specialized post-production, video duplication and equipment companies.

The acquired and the existing operations have grown at an extraordinary pace. In the five years that ended last September, before Technicolor joined the fold, Carlton's revenues jumped from $23.7 million to $337 million, while its pretax profit rose from $5.4 million to $76.1 million over the same five-year span.

That growth rate shows no signs of slowing much soon. In the six months that ended in March, Carlton's revenue and pretax profit both doubled from the year-earlier period — revenue up to $365 million and pretax income to $65.2 million.

The Technicolor and UEI purchases, according to analysts, illustrate how Carlton is trying to capitalize on new trends in video viewing and new technology.

With Technicolor, the British company holds a strong position in the booming worldwide market for pre-recorded video cassettes.

In the United States, for example, the cassette market jumped from 5 million units sold in 1982 to an estimated 190 million this year. The European videocassette market is at an earlier stage of development, but it is expected to follow much the same course as in America.

UEI represents a major addition to Carlton's capability in digital television technology. UEI makes highly specialized and expensive image processing equipment. Its products will complement the company's Abekas Video Systems, a California-based maker of digital storage devices, which Carlton acquired in 1985.

The UEI acquisition also fits neatly with Carlton's approach of focusing on specialized, high-technology niches of the television equipment business, rather than trying to take on such giants as Sony directly. In fact, Carlton made more than $4.6 million of its pretax profits last year in the Japanese market.

"In the narrow broadcast area we are in — image processing and effects — we are way ahead of the Japanese," Mr. Green said recently in his pristine white office, its walls adorned with modern art and a Richard Avedon photograph.

The video industry, like audio, is shifting from analogue to digital technology. One result of the movement to the new level of technology is vastly increased freedom to modify a video image, once it has been stored in digital form.

The practical impact of this technology is to permit everything from flashy special effects to saving money by processing images in the post-production phase of a television program or commercial.

To cite a simple example, a scene or commercial shot on location under cloudy conditions can be transformed to sunny skies with image-processing techniques in the post-production stage.

"Much of our business is founded on saving money in the television industry," Mr. Green said.

In the fast-growing television market, Carlton takes risks but nothing like the media industry's brand-name entrepreneurs.

The company is a supplier to Europe's new entrants in satellite broadcasting, such as Rupert Murdoch's Sky Television, a four-channel network that began last February. By some estimates, Sky Television may lose as much as $260 million in its first year.

But Carlton, as a supplier, faces no such troubles.

To Our Readers

Floating-rate note prices were not available for this edition because of technical problems.

Also, U.S. financial markets were closed for the Independence Day holiday.

Dividends

July 4

Company	Per	Amt	Pay	Rec
INCREASED				
Winn-Dixie Stores	M	.14½	8-1	7-17
SPECIAL				
Hatteras Incm Scrts	-	.03	7-31	7-14
DISTRIBUTION				
Blue Chip Value Fnd	-	.19	7-28	7-14
CRI Insd Mtge Invst	-	.047	11-15	7-13
Snyder Oil Partners	Q	.15	7-31	7-14
Zweig Total Rtrn Fd	-	.08	7-26	7-13
USUAL				
ACM Gvt Inc Fund	-	.10½	7-28	7-14
ACM Gvt Opp Fnd Ic	-	.084	7-28	7-13
ACM Managd Inc Fd	-	.084	7-28	7-13
Hatteras Incm Scrts	M	.13	7-31	7-14
MFS Gvt Mrkt T	-	.098	7-31	7-17
MFS Intermdte T	-	.0875	7-31	7-17
MFS Multimarket Tr	-	.1025	7-31	7-17
MFS Muncpl Incm T	-	.0630	7-31	7-17
Nuveen Cal Muni VF	M	.0555	7-31	7-15
Nuveen Cal Muni I F I	M	.0688	7-27	7-15
Nuveen Muni Inc Fd	M	.0715	7-31	7-15
Nuvn NY Mun Inc Fd	M	.0675	7-31	7-15
Nuvn NY Muni VI Fd	M	.0563	7-31	7-15
Nuvn Prmm Inc Mu	M	.0980	7-31	7-15
Nuvn Muni VI Fund	M	.0608	7-31	7-15
Oppenhmr Mlti-Sct	M	.093	7-28	7-14
Sterling Chemicals	Q	.25	7-26	7-14
Technalysis Corp	S	.17	8-4	7-21
Winn-Dixie Stores	M	.14½	9-1	8-15
Winn-Dixie Stores	M	.16½	10-2	9-17
WLR Foods Inc	Q	.10	7-28	7-14

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

World Stock Markets

Via Agence France Presse Closing prices in local currencies, July 4

Amsterdam

	Close	Prev.
ABN Bank	42.40	42.50
ACF Holding	52	51.50
Aegon	99.50	99.50
Ahold	117.80	117.70
Akzo	147.80	148
AMEV	53.40	53.40
A'Dam Rubber	7.40	7.40
Amro Bank	83.90	83.40
Bols	146.60	146.50
Buhrmann Tett	70	69.70
BVG	28	28.50
Center Parcs	71	69.60
CSM	69.10	69.30
DAF	57.30	57.40
DSM	135.20	136.30
Elsevier	74	72.90
Fokker	44.80	45.90
Gist-Brocades	35.50	35.40
Heineken	123.80	123.20
Hoogovens	118	118
Hunter Douglas	123.20	124.40
IHC Caland	33	33
Int Mueller	98.50	98
KLM	49.30	49
KNP	56.20	56.70
Nat Neder	63.40	63.50
Nedlloyd	432.50	435.30
NMB Bank	236.50	234
Oce Grinten	309	309
Pakhoed	145.30	145
Philips	38.70	38.60
Robeco	104.40	104.40
Rodamco	154.90	154.80
Rolinco	102.40	102.40
Rorento	61.80	61.70
Royal Dutch	138.10	137.80
Unilever	141.50	141.30
Van Ommeren	46.50	46.90
VMF Stork	37	37
VNU	105	104.50
Wessanen	91.50	91
Wolters/Kluwer	48	48

AMP-CBS Indx at 15.30: 187.28
Previous : 187.28

Brussels

	Close	Prev.
Arbed	4050	6100
Bekaert	14225	14300
Cockerill	373	370
Cobepa	5850	5790
Delhaize	5840	5840
EBES	4510	4525
GB-Inno-BM	1328	1346
GBL	4540	4560
Gevaert	8230	8290
Hoboken	17150	17150
Intercom	3460	3440
Kredietbank	4300	4305
Petrofina	12500	12575
Royale Belge	5250	5240
Soc Gen Bque	6150	6100
Sofina	12575	[illegible]
Solvay	14580	14550
Tractebel	[illegible]	[illegible]
UCB	11675	11700
Unerg	2545	2550

Current Stock Index : 6067.36
Previous : 6073.19

Frankfurt

	Close	Prev.
AEG	213.50	211
Allianz Hldg	1948	1907
Altana	425	428
Asko Dt. Kfhs	833	838
BASF	297.80	294.60
Bayer	299.20	294.30
Bay. Hypo bank	422	416.50
Bay Vereinsbank	413	405
BBC	477.50	470
BHF-Bank	476	472
BMW	567	565.50
Commerzbank	261	253
Continental	311.50	309.70
Daimler-Benz	706	705
Degussa	485	482
Dt. Babcock	212.50	214.40
Deutsche Bank	629	615
Dresdner Bank	334.50	331.50
Feldmuehle	382	378
Harpener	453	452
Henkel	511.50	512.50
Hochtief	885	880
Hoechst	296.70	297
Hoesch	246.50	253
Holzmann	980	975
Horten	270	268
Hussel	614	601
IWKA	315	320
Kali + Salz	219.50	220
Karstadt	475	464
Kaufhof	513	510
KHD	197.50	200
Kloeckner Werke	165	167.50
Krupp Stahl	232	229
Linde	774	748
Lufthansa	184	185.50
MAN	331	331
Mannesmann	244	252
Metallgesell	460	457.50
Muench Rueck	2500	2480
Nixdorf	307.50	307.50
PKI	533	532
Porsche	785	782.50
Preussag	312	313.50
PWA	319.30	320.50
RWE	332	332
Rheinmetall	418	411
Schering	654	648
SEL	324	325.50
Siemens	587.50	576
Thyssen	232	241.50
Varta	373	380
Veba	338.50	334.50
VEW	224	228.50
Viag	366.50	372.50
Volkswagen	435	440.50
Wella	684	609

Commerzbank index : 1864.80
Previous : 1834.80
FAZ Index : 626.70
Previous : 616.31

Helsinki

	Close	Prev.
Amer A	144	144
Enso-Gutzeit	36	36.50
Finnish Sugar	N.A.	—
K.O.P.	64	64
Kymmene	119	119
Nokia	130	129
Pohjola	205	209
Stockmann	380	381
Utd Paper	119	124
Wartsila	450	450

Unitas Index : 762.50
Previous : 773.40

Hong Kong

	Close	Prev.
Bk East Asia	13.80	13.40
Cathay Pacific	8.35	8.25
Cavendish Int'l	2.75	2.70
Cheung Kong	7.25	6.90
China Light Pwr	11.40	11.10
Dairy Farm Int'l	6.45	6.35
Hang Lung Dev	3.625	3.55
Hang Seng Bank	20	19.90
Henderson Land	3.55	3.475
HK Air Eng.	18.20	17.80
HK China Gas	15.40	14.70
HK Electric Hdgs	7.30	7.20
HK Land	4.35	4.25
HK Realty Trust	4.50	4.45
HK Shang Bank	5.40	5.20
HK Shai Hits	4.40	4.40
HK Telecomm	4.475	4.45
HK-TVB	9.15	9.05
HK Ferry	3.925	3.80
Hutch Whampoa	7.45	7.50
Hysan Dev	1.17	1.14
Jardine Math.	18.20	17.80
Jardn Strat Hdg	10.30	10
Kowloon Motor	6.60	6.55
Mandarin Orient	3.925	3.80
Miramar Hotel	4.925	4.75
New World Dev	8.05	7.70
SHK Props	8.05	7.80
Stelux	1.92	1.88
Swire Pac A	14.40	13.90
Tai Cheung Prps	3.875	3.725
Wharf Hold.	7.70	7.40
Wing On Co	4.45	4.30
Winsor Ind.	8.85	7.95
World Int'l Hdgs	3.125	3.025

Hang Seng Index : 2316.74
Previous : 2270.51

Johannesburg

	Close	Prev.
AECI	1825	1775
Altech	8000	8000
Anglo American	9200	9100
Barlows	4300	4275
Blyvoor	1125	1125
Buffels	5000	4900
GFSA	9100	9200
Harmony	1975	1950
Hiveld Steel	1525	1525
Kloof	3525	3450
Nedbank	820	820
Rusplat	6250	6225
SA Brews	2425	2425
St Helena	3050	2950
Sasol	1300	1300
Welkom	2200	2100
Western Deep	12400	12000

Composite Stock Index : 2645
Previous : 2622

London

	Close	Prev.
AA Corp $	22⅞	22⅞
Allied Lyons	457½	456
Anglo Am Gd $	71¼	69¾
Ass Brit Foods	362	369
Asda-MFI Gp	178½	179
BAA	346	346
Barclays	452	445
Bass	10⅛	10 1/32
B.A.T.	659	652
Beecham	627	627
Blue Circle	513	513
Boc Group	502	503
Boots	268	268
Bowater Ind.	493	493
British Aero.	670	673
Brit Airways	206	205
British Gas	196	194½
BP	299½	299½
British Steel	73¾	73½
British Telec.	251½	252
BTR	398	398
Burmah	631	616
Cable Wireless	505	510
Cadbury Schw	361	359½
Charter Cons.	359	358
Commercial U	384	378
Cons Gold Fd	14⅝	14 51/64
Cookson Gp	342	327
Courtaulds	356	355
Dalgety	395	397
De Beers	16½	16⅛
Dixons	140½	140
Driefontein $	10¾	10⅝
Fisons	507	503
Freegold $	[illegible]	[illegible]
Gateway	[illegible]	[illegible]
Gen Accident	[illegible]	[illegible]
GEC	253	252½
GKN	[illegible]	[illegible]
Glaxo	[illegible]	[illegible]
Grand Met	[illegible]	[illegible]
GRE	[illegible]	[illegible]
Guinness	[illegible]	[illegible]
Gus	16	16
Hanson	215	214½
Hawker	715	713
ICI	12 19/32	12 47/64
Jaguar	347	353
Kingfisher	311	312
Lands Sec	571	571
Legal and Gen	313	311
Lloyds Bank	327	327
Lonrho	276	275
Lucas	632	643
Marks & Sp	194	196
Maxwell Com	173	172
Metal Box	185	185
Midland Bank	504	503
Nat.West.Bk	324	320
Pearson	725	720
P and O	639	632
Pilkington	231	230
Plessey	242	239
Prudential	176½	177
Racal Elec	425	425
Randfontein $	49½	49½
Rank	10 21/64	10 3/64
Reed Internat.	412	414
Reuters	778	784
Rolls-Royce	192½	192
Royal Dutch	48¾	48¾
RTZ	482	482
Saatchi	312	312
Sainsbury	249	248
Sears Holding	118	116
Shell	426	424
STC	374	369
Std Chart.Bk	510	508
Storehouse	153	151
Sun alliance	278	279
Tate and Lyle	349	344
Tesco	183	182½
Thorn Emi	757	758
T.I. Group	453	447
Trafalgar Hse	350	351
THF	326	323
Ultramar	326	317
Unilever	599	593
Utd Biscuits	374	370
Vickers	220	214
War Loan 3½ £	38 3/32	37⅝
Wellcome Gp	447	440

F.T. 30 Index : 1888.30
Previous : 1771.40
F.T.S.E. 100 Index : 2174.40
Previous : 2145.60

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	1040	1040
Bco. Central	1000	1000
Bco. Santander	829	834
Banesto	1105	1095
CEPSA	580	588
Dragados	493	[illegible]
Expl. Rio Tinto	[illegible]	411
Hidroelec. Esp.	N.Q.	334
Iberduero	119	119
Telefonica	195.25	196.50

General Index : 306.84
Previous : 308.85

Milan

	Close	Prev.
Banca Comm	4834	4835
Bastogi	416	425
Ciga-hotels	4670	4725
CIR	6180	6150
Cred Ital	2300	2340
Eridania	6700	6605
Ferruzzi Fin.	3164	3150
Ferruzzi Agr.	2475	2435
Fiat	10975	10950
Generali	42730	42970
IFI	21100	21060
Italcem	[illegible]	[illegible]
Italgas	2421	2419
Italmobiliare	[illegible]	[illegible]
Mediobanca	22250	22250
Montedison	2270	2258
NBA	1631	1631
Olivetti	9500	9485
Pirelli	3450	3482
RAS	28000	28000
Rinascente	5860	5870
Saipem	2800	2800
SIP	3010	3060
SME	3710	3698
Snia	2992	2998
Standa	28450	28220
Stet	4150	4200
Toro	20340	20350

a: x100
MIB Index: 1093
Previous : 1097

Paris

	Close	Prev.
Accor	730	732
Air Liquide	614	618
Alsthom Atl.	377	373
Av Dassault	672	673
Bancaire	527	520
BIC	758	749
Bongrain	2971	2971
Bouygues	705	689
BSN-GD	702	691
Carrefour	3154	3122
Cerus	451	448
C.G.E.	429	428
Chargeurs	1216	1200
Club Med	636	624
Dumez	985	980
Elf-Aquitaine	538	546
Europe 1	758	715
Gen. Eaux	1984	1979
Hachette	399	375
Havas	947	938
Imetal	354.90	356
Lafarge Coppee	1633	1625
Legrand	3910	3865
Oreal (L')	4118	4100
L.V.M.H.	4126	4198
Matra	356	355
Merlin Gerin	4445	4440
Michelin	185.40	185.20
Moulinex	140.50	141.50
Occidentale	884	875
Paribas	501	499
Pernod-Ricard	1335	1310
Perrier	1530	1535
Peugeot	1727	1720
Printemps (Au)	701	690
Radiotechnique	577	570
Raff. St. Louis	1350	1310
Redoute (La)	3290	3290
Roussel Uclaf	1825	1860
Saint Gobain	635	634
Sanofi	900	893
Skis Rossignol	1208	1195
Societe. Generale	496	496
Suez	337.80	334.90
Telemecanique	3600	3600
Thomson-CSF	214	212.50
Total	510	514
Valeo	817	811

Bourse trend index : +0.84%
Previous : +0.32%

Stockholm

	Close	Prev.
AGA	242	242
Alfa Laval	635	640
Asea	583	585
Astra	308	302
Atlas Copco	362	362
Electrolux	334	329
Ericsson	565	578
Esselte	305	305
Handelsbanken	158	160
Pharmacia	170	179
Norsk Hydro	167.50	166
Saab-Scania	250	258
Sandvik	325	330
SCA	139	405
S-E. Banken	100	99
Skandia Int	N.Q.	250
Skanska	135	138
SKF	154	150
Stora	420	427
Swedish Match	160	156
Volvo	445	445

Affaersvaerlden : 1221.30
Previous : 1216.20

Sydney

	Close	Prev.
ANZ	4.54	4.48
BHP	8.44	8.64
Boral	3.44	3.25
Bougainville	1.95	1.95
Coles Myer	8.06	7.90
Comalco	3.54	3.50
CRA	8.48	8.46
CSR	4.54	4.50
Dunlop	4.39	4.42
Elders IXL	2.82	2.78
ICI Australia	6	6
Magellan	2	2
MIM	1.96	1.95
Nat Aust Bank	5.86	5.84
News Corp	14.85	14.75
N Broken Hill	2.40	2.39
Poseidon	2	2
QCT Resources	1.30	1.30
Santos	3.70	3.70
Thomas Nation	3.22	3.16
Western Mining	5.26	5.32
Westpac Banking	4.90	4.89
Woodside	2.34	2.33

All Ordinaries Index : 1584.70
Previous : 1581.30

Tokyo

	Close	Prev.
Akai	790	760
Asahi Chemical	1180	1170
Asahi Glass	2320	2320
Bank of Tokyo	1660	1660
Bridgestone	1640	1640
Canon	1830	1820
Casio	1450	1450
C.Itoh	981	990
Dai Nippon Print	2260	2220
Daiwa House	2040	2040
Daiwa Securities	2110	2090
Fanuc	6750	6410
Fuji Bank	3410	3380
Fuji Photo	4250	4140
Fujitsu	1640	1550
Hitachi	1620	1570
Hitachi Cable	1318	1310
Honda	2010	1930
Ito Yokado	3950	3850
Japan Air Lines	16100	16300
Kajima	1980	1990
Kansai Power	4360	4450
Kawasaki Steel	895	920
Kirin Brewery	1850	1870
Komatsu	1250	1240
Kubota	1150	1140
Kyocera	6150	6180
Matsu Elec Inds	2460	2360
Matsu Elec Wks	1980	1930
Mitsubishi Bank	3080	3080
Mitsubishi Kasei	1060	1080
Mitsubishi Elec	1180	1140
Mitsubishi Hvy	1170	1190
Mitsubishi Corp	1440	1450
Mitsui and Co	1020	1020
Mitsukoshi	2210	2200
Mitsumi	1060	1030
NEC	2010	1950
NGK Insulators	1620	1630
Nikko Securities	1700	1750
Nippon Kogaku	1580	1550
Nippon Oil	1420	1400
Nippon Steel	800	818
Nippon Yusen	992	1010
Nissan	1580	1550
Nomura Sec	3110	3120
NTT	1440o	1470o
Olympus Optical	1470	1460
Pioneer	3890	3780
Ricoh	1300	1270
Sanyo Elec	916	910
Sharp	1490	1440
Shimazu	1560	1540
Shinetsu Chem	1730	1770
Sony	7880	7640
Sumitomo Bank	3420	3400
Sumitomo Chem	900	905
Sumi Marine	1280	1290
Sumitomo Metal	790	810
Taisei Corp	1510	1550
Taisho Marine	1350	1350
Takeda Chem	2430	2350
TDK	6100	5930
Teijin	924	896
Tokyo Marine	1980	2000
Tokyo Elec Pwr	5620	5710
Toppan Printing	1950	1940
Toray Ind.	963	960
Toshiba	1390	1370
Toyota	2570	2540
Yamaichi Sec	1710	1720

o: x1000.
Nikkei 225 : 33190.38
Previous : 33224.62
New Index : 2469.53
Previous : 2467.15

Sao Paulo

July 3

	Close	Prev.
Banco do Brasil	0.62	0.72
Bradesco	0.11	0.12
Brahma	0.02	0.03
Paranapanema	0.07	0.07
Petrobras	1.58	1.87
Varig	0.23	0.29

Bovespa index: N.A.
Previous : 7270

Singapore

	Close	Prev.
Cerebos	5.50	5.30
City Dev.	4.70	4.66
DBS	9.70	9.70
Fraser Neave	9.55	9.58
Genting	5.90	5.90
Harrisons Plant	1.93	1.91
Haw Par	3.08	3.02
Hume	2.88	2.92
Inchcape	6.60	6.50
Keppel	4.54	4.54
KL Kepong	3.54	3.58
Lum Chang	1.23	1.24
Malayan Banks	6.45	6.50
OCBC	10	10.10
OUB	3.80	3.76
OUE	8.15	8.15
Sembawang	4.66	4.66
Shangri-la	8.05	8.10
Sime Darby	3.32	3.36
SIA	13.70	13.70
S'pore Land	12.80	13
S'pore Press	8.05	8.10
S. Steamship	3.48	3.50
S. Trading	4	4
UOB	5.45	5.45
United Overseas	2.26	2.24

Straits Times Ind. : 1303.83
Previous : 1298.86

Zurich

	Close	Prev.
Adia	8465	8450
Alusuisse	1287	1286
Bank Leu	2925	2925
Brown Boveri	4525	4525
Ciba Geigy	4050	4010
Credit Suisse	2440	2450
Electrowatt	2980	2970
Georg Fischer	1810	1770
Interdiscount	3250	3200
Jacob Suchard	7100	7075
Jelmoli	2550	2550
Landis Gyr	1290	1300
Moevenpick	5200	5200
Nestle	7410	7350
Oerlikon-B	1210	1180
Pargesa Holding	1710	1710
Roche Holding-B	17050	16950
Sandoz	2275	2260
Schindler	6250	6050
Sulzer	390	390
Surveillance	5700	5700
Swissair	1040	1070
SBC	341	337
Swiss Reinsur	1695	1660
Swiss Volksbank	1730	1710
Union Bank	3375	3350
Winterthur	4390	4450
Zurich Ins	1965	1980

S.B.C. Index : 645.50
Previous : 642.80

Paris Commodities

July 4

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Aug	3,000	2,955	2,875	2,890	+37
Oct	2,750	2,460	2,745	2,750	+82
Dec	2,575	2,490	2,560	2,565	+70
Mar	2,490	2,440	2,490	2,500	+40
May	N.T.	N.T.	2,475	2,495	+42
Aug	N.T.	N.T.	2,470	2,490	+42
COCOA French francs per 100 kg					
Jly	N.T.	N.T.	870	—	Unch.
Sep	N.T.	N.T.	875	—	Unch.
Dec	N.T.	N.T.	920	—	Unch.
Mar	N.T.	N.T.	920	—	Unch.
May	N.T.	N.T.	920	—	Unch.
Jly	N.T.	N.T.	920	—	Unch.
Sep	N.T.	N.T.	920	—	Unch.
COFFEE French francs per 100 kg					
Jly	N.T.	N.T.	910	—	—40
Sep	N.T.	N.T.	915	—	—25
Nov	890	880	900	905	—17
Jan	N.T.	N.T.	920	—	—5
Mar	N.T.	N.T.	930	—	—50
May	N.T.	N.T.	935	—	—45
Jly	N.T.	N.T.	940	—	—50

Sugar: Est. vol: 1,038 lots of 50 tons. Prev. actual sales: 880 lots. Open interest: 15,513.
Cocoa: Est. vol: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position : 4.
Coffee: Est. vol: 2 lots of 5 tons. Prev. actual sales: 2 lots. Open position : 144.
Source: Bourse de Commerce.

London Commodities

July 4

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
SUGAR U.S. Dollars per metric ton						
Aug	326.80	327.40	327.80	321.00	321.00	322.00
Oct	328.60	328.80	328.80	323.00	323.20	323.80
Dec	314.00	318.00	313.00	313.00	311.00	316.00
Mar	309.00	309.20	309.60	305.00	305.00	305.20
May	305.60	305.80	305.60	304.40	301.80	302.00
Aug	293.00	299.40	N.T.	N.T.	291.00	295.00
Oct	287.20	288.80	289.00	288.80	287.20	287.80
COCOA Sterling per metric ton						
Jul	819	820	824	817	832	833
Sep	842	843	844	839	851	853
Dec	898	899	901	895	906	907
Mar	887	889	890	885	896	898
May	895	898	897	893	905	906
Jul	909	915	909	907	918	919
Sep	934	930	N.T.	N.T.	932	934
GASOIL U.S. dollars per metric ton						
Jul	146.50	146.75	147.25	145.25	146.80	144.50
Aug	147.75	148.00	148.50	145.50	146.25	144.75
Sep	148.75	149.00	149.50	148.00	147.50	148.00
Oct	150.50	150.75	151.00	149.75	149.50	150.00
Nov	151.50	151.75	152.25	151.50	151.00	151.50
Dec	152.50	152.75	152.00	152.00	151.50	152.00
Jan	152.25	154.75	N.T.	N.T.	150.00	153.00

Sugar volume: 3,439 lots of 50 tons.
Cocoa volume: 1,640 lots of 10 tons.
Gasoil volume: 3,778 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

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(Société d'Investissement à Capital Variable, Luxembourg)
Registered Office: 2, Boulevard Royal, L - 2953 Luxembourg.
R.C. Luxembourg No. B-25176

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders in G.T. US SMALL COMPANIES FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L - 2953 Luxembourg, on Friday, 21 July, 1989 at 4.00 p.m. with the following agenda:

1. To Consider and approve the Reports of the Board of Directors and of the Auditor.
2. To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties for the year ended 31 March, 1989.
4. To elect the Directors and appoint the Auditor.
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of 21 July, 1989, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

G.T. BIOTECHNOLOGY & HEALTH FUND
(Société d'Investissement, Luxembourg)
Registered Office: 2, boulevard Royal, L - 2953 Luxembourg
R.C. Luxembourg No. B-24840

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders in G.T. BIOTECHNOLOGY & HEALTH FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, boulevard Royal, L - 2953 Luxembourg, on Friday, 21 July, 1989 at 3:00 p.m. with the following agenda:

1. To Consider and approve the Reports of the Board of Directors and of the Auditor.
2. To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties for the year ended 31 March, 1989.
4. To elect the Directors and appoint the Auditor.
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of 21 July, 1989, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

GT DEUTSCHLAND FUND
(Société d'Investissement à Capital Variable, Luxembourg)
Registered Office: 2, Boulevard Royal, L - 2953 Luxembourg.
R.C. Luxembourg No. B-25023

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders in GT DEUTSCHLAND FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L - 2953 Luxembourg, on Friday, 21 July, 1989 at 2:30 p.m. with the following agenda:

1. To Consider and approve the Reports of the Board of Directors and of the Auditor.
2. To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties for the year ended 31 March, 1989.
4. To elect the Directors and appoint the Auditor.
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of 21 July, 1989, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

G.T. INTERNATIONAL BOND FUND
(Société d'Investissement à Capital Variable, Luxembourg)
Registered Office: 2, Boulevard Royal, L - 2953 Luxembourg.
R.C. Luxembourg No. B-24843

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders in G.T. INTERNATIONAL BOND FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L - 2953 Luxembourg, on Friday, 21 July, 1989 at 12.00 noon with the following agenda:

1. To Consider and approve the Reports of the Board of Directors and of the Auditor.
2. To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties for the year ended 31 March, 1989.
4. To elect the Directors and appoint the Auditor.
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of 21 July, 1989, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

G.T. UK SMALL COMPANIES FUND
(Société d'Investissement à Capital Variable, Luxembourg)
Registered Office: 2, Boulevard Royal, L - 2953 Luxembourg.
R.C. Luxembourg No. B-25668

Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders in G.T. UK SMALL COMPANIES FUND will be held at the head office of Banque Internationale à Luxembourg, Société Anonyme, 2, Boulevard Royal, L - 2953 Luxembourg, on Friday, 21 July, 1989 at 9.00 a.m. with the following agenda:

1. To Consider and approve the Reports of the Board of Directors and of the Auditor.
2. To approve the Statement of Net Assets and the Statement of Operations as at 31 March, 1989.
3. To discharge the Board of Directors and Auditor with respect of their performance of duties for the year ended 31 March, 1989.
4. To elect the Directors and appoint the Auditor.
5. Any other business.

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the meeting.

In order to attend the meeting of 21 July, 1989, the owners of bearer shares will have to deposit their shares FIVE clear days before the meeting with the registered office of the company or with Banque Internationale à Luxembourg, 2, boulevard Royal, L-2953 Luxembourg.

THE BOARD OF DIRECTORS

This announcement appears as a matter of record only

June, 1989

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Lit. 150,000,000,000
12¾ per cent. Notes due 1994

Issue Price 101⅜ per cent.

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Dresdner Bank Aktiengesellschaft
Banca Commerciale Italiana
Banco di Napoli
Banque International à Luxembourg S.A.
Euromobiliare S.p.A.
IMI Capital Markets Luxembourg S.A.
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Italian International Bank plc
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SANPAOLO

SPORTS

In Defense of World Cup Realism

Fear of Soccer Violence in Italy Cannot Be Dismissed

International Herald Tribune

LONDON — Hush. This is the quiet, contemplative hour for European soccer. The season is over, the trophies have been presented, the players are on the beaches.

It is a rare and a brief respite, the last before the 1990 World Cup which — one year and three days from now — reaches its climax in Rome's majestic Olimpico stadium.

Alas, another grisly news bulletin disturbs the calm.

ROB HUGHES

It came Monday from a remote Roman cavern in which the police found the remains of a 16-year-old youth allegedly murdered seven years ago in revenge for a soccer-related hooligan killing.

Seven soccer supporters have been killed in seven years, but of course Italy is not isolated. Worldwide, the sport arouses adoration and violence in near equal measures.

But in Italy next year eight million customers will pay to watch 52 World Cup games; billions will watch via television.

It will focus our hopes for a sport and our fear for human behavior. Italy will host the games, and to pretend violence will not visit it would be to adopt the philosophy of the ostrich: head in the sand.

Soccer's governing body, FIFA, does it very well. In May, Joseph Blatter, FIFA's general secretary published the following:

"No other country draws so many spectators into its stadia as Italy. But this very country, in which football is so highly revered, has virtually no trouble with its fans. Lucky Italy! Let us all look forward to a bumper football festival!"

On a scale of blinkered officialdom, I place Herr Blatter second to Ohio's Central State University, which presented Mike Tyson with an honorary doctorate in humane letters.

Like Blatter, I believe soccer is in the Italian soul. Like Blatter, I hope the festival will overcome all evil.

But we won't eradicate problems by denying their existence. We are not players who can throw off an aggressor with a nifty sidestep.

Italy's World Cup organizers are worried sick that violence might wreck the race to restructure 12 World Cup stadiums.

The promise of a safe seat under a new or refurbished roof remains the goal, but Turin, for one, is lagging behind schedule. And Luca di Montezemolo, director of Italia '90, warns that Turin, home of two famous soccer teams, will be struck off the World Cup list unless local politicians stop bickering and get building — pronto.

Genoa, has also hit a snag. It would be comic were it not so incompetent. Parts of the field were obscured from the highest seats, so the pitch was raised a meter.

Now those lower down get a poor view — so their seats, their money, must be discounted.

In Milan, Rome and Naples, soaring prices, including workers' overtime pay, will give someone ulcers before the race is won.

Montezemolo and his boss, the minister for sport, Franco Carraro, anticipated problems. When you deal with municipal stadiums, and rely on the promises of mayors, you enter never-never land.

Italy is Italy. The national government — responsible for 3,000 billion lire ($2.14 billion) of improvements to stadiums and road, rail and air communications — fell last month.

World Cup organizers thought it might. After all, the country has had 48 governments in 45 years.

So the plans were always more grand than the expectation. Montzemolo, a realist, promises all will be well on the night.

Whether Italy, as it hoped, astounds the world in promoting touristic beauty and commercial enterprise is another matter.

And out of the organizers' hands is the guarantee of a failsafe festival that does no harm to the ethic of soccer, and none to life and limb of all visitors.

That is not even solely an Italian question. No one knows yet if, for example, the English and the Dutch, with their vicious hooligan followers, will qualify for the finals.

No one has been able to predict where and when Italy's own thugs strike. Theirs is not so much the predetermined mass violence of England and Holland (though Genoa suffered a sustained riot between rival supporters *in May*).

More sinister in Italy are the knife attacks, the assaults with iron bars and screwdrivers, the beatings that have picked off fans as young as 14.

FIFA ignores them; UEFA cannot. The European soccer authority fined the Inter Milan club $95,000 after fans started a fire in the stands last December, and fined Napoli $57,000 because spectators threw smoke bombs in March.

The Neopolitans, renowned for leaving their crime outside the stadium walls, responded by firing more smoke bombs, which hampered the goalkeeper of Stuttgart in the UEFA Cup final in May.

The good news is that the Italian authorities often catch and jail the thugs. But it is no consolation to the bereaved and no comfort to those responsible for the World Cup.

□

FAR, FAR FROM the lull in Europe's season, South America warms up to serious play. Brazil has begun the South American Cup on its soil confidently, but another of the region's big three, Uruguay, is in abysmal form.

*Uruguyan distractions include the negotiations sur*rounding star forward Enzo Francescoli. He, long expected to go to Italy, is now the attraction for Marseille, which has bid $3.5 million to lure him from Racing Club de Paris.

While his mind is elsewhere, Uruguay suffers as this week's ignominious defeat to a late goal by Ecuador showed.

Europe distracts, and Italy disrupts. Argentina's struggle to beat Chile by a solitary goal has roots in Naples and Milan. Not for the first time the Napoli captain, Diego Maradona, has seen to it that Inter Milan's Ramon Diaz has no role in his nation's team.

Instead, Argentina selected Hugo Maradona, sibling of the Great One. Neither Maradona saved Argentina's face against Chile; Claudio Paul Caniggia did.

Caniggia might be home on permanent leave from Italy. He is unhappy about legal threats in Verona, where he played last season and where a judge has questioned him in connection with cocaine trafficking.

Drugs as well? No . . . no. Italy is a land where soccer is so highly revered it simply cannot be.

Rob Hughes is on the staff of the Sunday Times

Tom Dejk/The Associated Press

Toronto's George Bell beating Rob Murphy home for the winning run after Murphy's wild pitch.

Rose Case Is Shifted Into Federal Court

By Murray Chass
New York Times Service

NEW YORK — The Pete Rose case has taken another legal turn, moving at least temporarily on Monday from the state court level in Ohio to federal court.

The site of the legal maneuvering was also shifted, to Columbus, Ohio, because of Rose's popularity in Cincinnati.

The action Monday by lawyers for the baseball commissioner, A. Bartlett Giamatti, blocked the court hearing on Rose's request for a preliminary injunction, which had been scheduled for Thursday, and will very likely result in the case's being delayed for several weeks.

Giamatti's lawyers decided late last week not to challenge in the Ohio Supreme Court a temporary restraining order blocking Giamatti's hearing on the charges that Rose bet on baseball games.

On Monday, they filed a petition for removal of the case from Hamilton County Common Pleas Court in Cincinnati to U.S. District Court. Such removal, when requested, is automatic. It is then up to the other side to act to get the case back to the state court.

Lawyers for Rose said they would take that step on Wednesday, when the courts reopen after the Independence Day holiday.

"We do not believe there is any merit to it," Reuven Katz, one of Rose's lawyers, told The Associated Press, referring to Giamatti's effort to have the case heard in federal court.

Giamatti's lawyers say they believe that cases involving the commissioner more properly belong in the federal courts. But in this instance, having lost the first round, they evidently feel their chances of success are better in federal court.

Because this latest step would take the two sides past next Sunday, when the 14-day restraining order is scheduled to expire, Rose's lawyers would also presumably seek a 14-day extension of the order.

If the order were allowed to expire, Giamatti could have his administrative hearing with Rose.

Rose, the Cincinnati Reds' manager, is accused of betting on baseball games generally and on Reds' games specifically. If he is found to have bet on Reds games, baseball rules call for him to be suspended from baseball for life.

He has consistently denied that he bet on baseball.

Once Rose's lawyers file their motion to get the case back to Judge Norbert Nadel in state court, U.S. District Judge John Holschuh in Columbus will give lawyers for both sides a schedule for filing written arguments and for a hearing.

Louis Hoynes, Giamatti's chief lawyer, said he was not surprised that the case was moved to Columbus but he added that he was surprised that, in moving the case, the federal court panel said there was "substantial doubt" that the case was genuinely a federal matter.

If the doubt expressed by the two-judge panel turns out to be well founded, the case would return to Nadel.

Yankees Observe Gehrig Anniversary with a Win

The Associated Press

Don Schulze, promoted from the minors earlier in the day, pitched seven strong innings for his first major-league victory since 1987 and New York beat the Detroit Tigers 1-0 Tuesday in Yankee Stadium on the 50th anniversary of Lou Gehrig's farewell speech.

Tom Brookens, who like Schulze had played in the Detroit organization last season, singled home the only run in the fourth.

The Tigers threatened to score in the first when Lou Whitaker bunted *for a hit and moved to second on* Keith Moreland's single. Fred Lynn followed with a sharp single to right field, but Jesse Barfield threw out Whitaker at the plate for his major league-leading 14th outfield assist.

The Fourth of July crowd of 32,198 was boosted by brief pregame ceremonies honoring Gehrig and a postgame concert by The Beach Boys.

A film of Lou Gehrig's farewell speech was broadcast on the scoreboard, including his famous words, "Today I consider myself the luckiest man on the face of the earth."

Indians 3, White Sox 2: Luis Aguayo hit his first home run of the season and Scott Bailes won for the third time in four starts Tuesday in Cleveland.

Bailes held the White Sox scoreless on four hits until the seventh, when Carlton Fisk hit a two-out single and Dan Pasqua followed with a two-run home run, his second in two days.

The Indians had taken a 1-0 lead in the first on an RBI double by Joe Carter, and Aguayo's two-run home run decided the game in the fifth.

Astros 10, Mets 3: Mike Scott became the major league's first 14 game-winner this season and the Astros scored eight runs in the first inning off Bob Ojeda in Houston.

Scott won for the eighth time in his last nine decisions, and it is the earliest in his career that he has won 14 games. His previous best was in 1986 when he went on to win the Cy Young Award.

BASEBALL ROUNDUP

■ Monday's Games

Pirates 4, Dodgers 2: Bobby Bonilla hit a two-run home run off Mike Morgan to give Pittsburgh a 3-0 lead in Los Angeles, The Associated Press reported earlier.

"I think it hit my truck in the parking lot," Morgan said. "I was very frustrated to make that mistake with two outs."

Morgan leads the major leagues with a 1.82 earned-run average, but his team's hitting slump has made victories elusive.

He fell to 5-8 while the Dodgers reached the halfway point at 39-42. They are in fifth place in the National League West, nine games behind San Francisco. Last year, the eventual World Series champions were 48-33 at the midway mark.

Mike Morgan: Lowest ERA.

The Dodgers lead the majors with a 2.60 ERA, but are last in baseball with a .234 batting average and just 264 runs.

Expos 3, Braves 0: Mark Langston pitched a two-hit shutout and struck out 10 in Atlanta, and Andres Galarraga hit a two-run home run in the eighth. Langston permitted only one runner to advance as far as third.

Phillies 2, Reds 1: Ken Howell allowed two hits in eight-plus innings as Philadelphia won at home before a fireworks night crowd of 56,498, the largest in the National League this season.

Mets 3, Astros 1: Tim Teufel and Mark Carreon connected for consecutive home runs that broke a seventh-inning tie in Houston.

Brewers 8, Yankees 5: Teddy Higuera won for the 11th time in 13 career decisions against the Yankees as Milwaukee got 16 hits in an American League game in New York. The Brewers trailed 2-1 before rallying for five runs in the sixth.

Blue Jays 3, Red Sox 2: Pat Borders's run-scoring single tied the game and Rob Murphy's wild pitch allowed the go-ahead run as the Blue Jays rallied in the seventh in Toronto.

Indians 4, White Sox 2: Joe Carter and Cory Snyder hit consecutive RBI singles as the Indians rallied for three runs in the eighth in Cleveland.

Orioles 11, Tigers 4: Mickey Tettleton hit a three-run home run and Phil Bradley drove in three runs on three hits in Baltimore as the Orioles got a season-high 15 hits. The Orioles scored at least one run in each of the first six innings.

Athletics 1, Royals 0: In Oakland, California, Dave Stewart became the American League's first 13-game winner and Dave Parker drove in the only run as the Royals won their fourth straight.

Angels 5, Rangers 2: Jim Abbott set a record for major-league victories by a first-year pro by pitching five-hit ball for eight innings in Anaheim, California. Abbott, 7-5, surpassed the previous record set in 1973 by Dick Ruthven, who was 6-9 for Philadelphia.

BOOKS

GOD'S DUST: A Modern Asian Journey

By Ian Buruma. 267 pages. $18.95. Farrar, Straus & Giroux, 19 Union Square West, New York, N. Y. 10003.

Reviewed by William Chapman

MIDWAY in his journey through Asia, Ian Buruma happens upon a satirical skit depicting a young, very modern Malaysian couple learning to cope with their new middle-class status. Their behavior is carefully modeled on that of characters who appear in television ads. They talk like people in the commercials, walk like them and seem to think like them. They have no other models. "Malaysian culture," a local playwright tells Buruma, "does not exist."

This skit expresses the theme that unites this fascinating account of life in eight Asian countries: How to retain some reservoir of national identity in a nation hell-bent on radical modernization and shattering social upheaval. It is a theme usually pursued by academic researchers concerned with "development" and inclined toward grand theories of social change. Buruma's "God's Dust: A Modern Asian Journey" introduces us to the people who are living it.

He is the best of guides — a patient interviewer who listens well and analyzes what he hears with sympathy. Buruma, a Hong Kong journalist who has written for the Far Eastern Economic Review and other publications, knows his turf well and possesses a remarkable ear for the word or phrase which defines the Asian predicament.

His examples are vivid. In Thailand, there is the "sad flotsam of Pax Americana" — including the young bar dancer in Bangkok's Patpong who performs in nothing but cowboy boots. There is the Malaysian village where families disgusted with Western hedonism have retreated to Muslim fundamentalism. Heavily-veiled women cook Arab dishes. ("There were about 100 families in the village, all trying to live like Arabs at the time of the Prophet.") There are the Filipinos still mired in their "adolescent state of dependence" on the United States, ever waiting for rescue by Washington. "The longing for the white messiah and the childish belief in American omnipotence — communism will never succeed, one is constantly told, 'because the Americans won't allow it' — show how thoroughly colonial Filipinos still are."

No Asians struggle more intensely with the problem of national identity than the Japanese, perhaps because no other Asian nation, except the Philippines, has been so profoundly affected by the West. American and European fads batter Tokyo as monsoons batter the southern coasts, and keeping up with these swift changes in fashions is for Tokyoites a consuming occupation. "Like Alice Through the Looking Glass," Buruma writes, "fashionable Japanese are admonished to run faster, faster, ever faster to keep up with the outside metropole." Intellectual fads are just as demanding, as the noted critic, Shuichi Kato, observes: "Those who run around in pursuit of the imported thoughts have had the illusion that running around is thinking."

Books on Asia like "God's Dust" — journalistic treatments of complex themes — frequently fail. Often the Asian's voice is drowned out by the authors' own rumblings; what gets recorded is what Asians ought to be saying and doing. Buruma has pulled off something special — a book about Asia that Asians will recognize, often painfully, as ringing true.

William Chapman, a former Asian correspondent for The Washington Post, is the author of "Inside the Philippine Revolution." He wrote this for The Washington Post.

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Wk.	Weeks on List
1	THE RUSSIA HOUSE, by John le Carré	1	4
2	TALKING GOD, by Tony Hillerman	6	5
3	THE NEGOTIATOR, by Frederick Forsyth	4	10
4	RED PHOENIX, by Larry Bond	7	5
5	WHILE MY PRETTY ONE SLEEPS, by Mary Higgins Clark	2	8
6	CAPITAL CRIMES, by Lawrence Sanders	5	5
7	THE TEMPLE OF MY FAMILIAR, by Alice Walker	3	9
8	THE JOY LUCK CLUB, by Amy Tan	8	13
9	THE SATANIC VERSES, by Salman Rushdie	9	18
10	DAY OF THE CHEETAH, by Dale Brown		1
11	WE ARE STILL MARRIED, by Garrison Keillor	14	13
12	A PRAYER FOR OWEN MEANY, by John Irving	12	15
13	PLAYMATES, by Robert B. Parker	10	7
14	THE CARDINAL OF THE KREMLIN, by Tom Clancy		41
15	GARDEN OF LIES, by Eileen Goudge	15	4

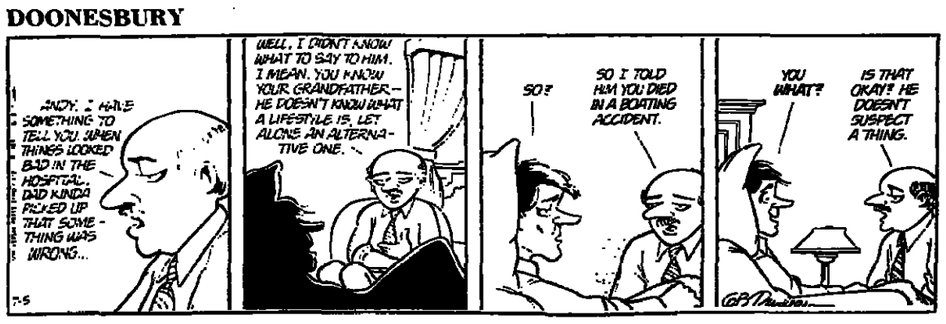
NONFICTION

1	SUMMER OF '49, by David Halberstam	3	6
2	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	2	35
3	A WOMAN NAMED JACKIE, by C. David Heymann	1	8
4	LOVE AND MARRIAGE, by Bill Cosby	5	10
5	IT'S ALWAYS SOMETHING, by Gilda Radner	4	4
6	THE GOOD TIMES, by Russell Baker	6	4
7	PAPA, MY FATHER, by Leo Buscaglia	11	2
8	A BRIEF HISTORY OF TIME, by Stephen W. Hawking	8	63
9	THE NIGHT THE BEAR ATE GOOMBAW, by Patrick F. McManus	9	8
10	THE ANDY WARHOL DIARIES, edited by Pat Hackett	7	6
11	ABOUT FACE, by David H. Hackworth and Julie Sherman	10	8
12	NOW THAT YOU ASKED..., by Andrew A. Rooney		3
13	YOGI: It Ain't Over..., by Yogi Berra with Tom Horton		3
14	DAVE BARRY SLEPT HERE, by Dave Barry		1
15	CITIZENS, by Simon Schama	13	12

ADVICE, HOW-TO AND MISCELLANEOUS

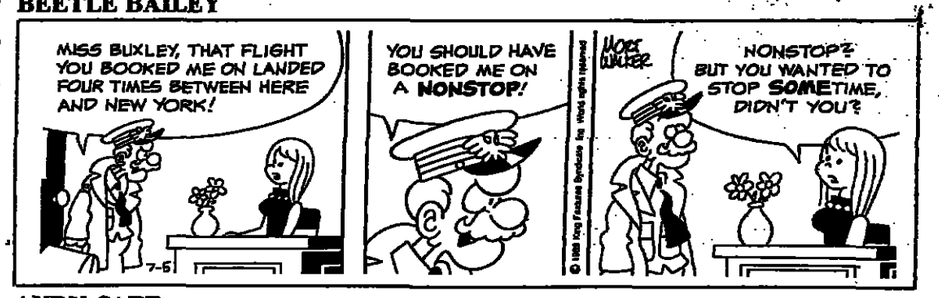
1	WEALTH WITHOUT RISK, by Charles J. Givens	1	23
2	SYMPTOMS, by Isadore Rosenfeld		1
3	PEACE, LOVE & HEALING, by Bernie S. Siegel	3	3
4	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY, (Merriam-Webster)	4	169
5	THE WAY THINGS WORK, by David Macaulay		15

DOONESBURY



PEANUTS

BEETLE BAILEY

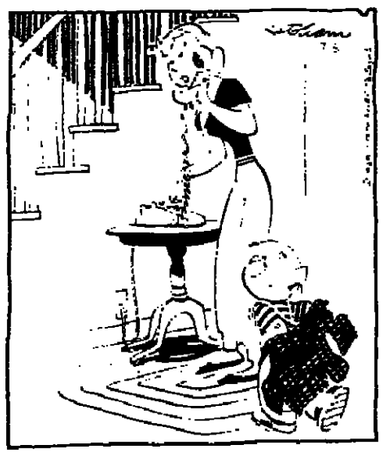


ANDY CAPP

WIZARD of ID

REX MORGAN

DENNIS THE MENACE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

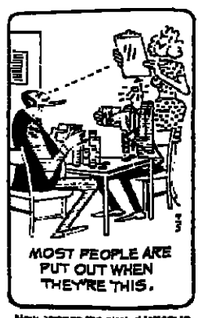
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ALYMN

GLIEB

FEXNAL

TESACK



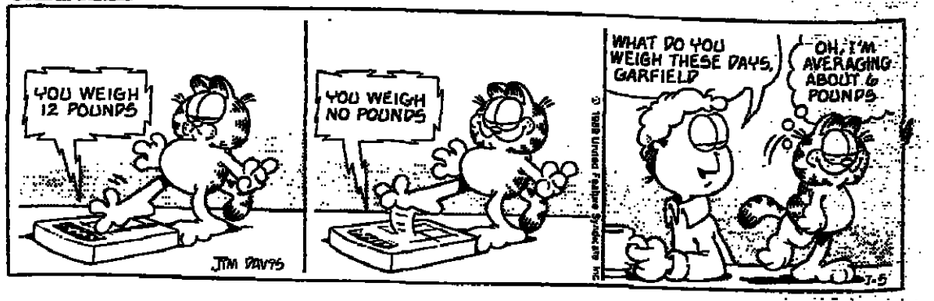
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: " " (Answers tomorrow)

Yesterday's Jumbles: FATAL DIZZY INFORM PITIED
Answer: A surgeon might have to cut out something because he cannot this—DID NOT

BLONDIE

GARFIELD



SPORTS

McEnroe Ploys Anger Loser

Fitzgerald: 'It's Tough to Respect a Guy Like That'

Los Angeles Times Service

WIMBLEDON, England — John McEnroe won a match Monday but he certainly did not win the heart of his opponent.

John Fitzgerald of Australia took a few verbal shots at McEnroe after their fourth-round match, which McEnroe won in four sets.

"If I said what I really felt, I'd get into trouble," said Fitzgerald, who was angry about an incident in the first set.

Fitzgerald was serving at 3-4 and had just broken McEnroe's serve a second time. McEnroe missed Fitzgerald's first serve and complained loudly to umpire Rudolf Berger that he hadn't been given his 30 seconds to get ready.

According to the rules, only the server gets 30 seconds.

Fitzgerald was angry that McEnroe had held up the game over the misinterpretation of a rule.

"All I can really say is that a leopard doesn't change his spots," Fitzgerald said. "He tries to let everyone believe that he's changed his ways, but that's ridiculous."

"I just don't understand why the public supports this guy."

McEnroe received a warning from Berger for unsportsmanlike conduct.

"Well, I didn't know the rule," McEnroe said. "I mean, that's my fault, I suppose. I was just trying to pull myself together in what I thought was a 30-second time period."

Fitzgerald was incredulous.

"He thought he had 30 seconds to receive?" he said. "Mate, if he didn't know that — he's been around how many years?"

McEnroe's reputation is not something Fitzgerald was unprepared for.

"Sure, he's a great tennis player ... but it's something you always know you're going to have to deal with when you go onto the court with the guy," Fitzgerald said.

"I think you'll find there's quite a number of players that are not happy with how he gets away with everything, because he's doing it against them."

Fitzgerald said he did not mind playing other top seeds, like Mats Wilander or Ivan Lendl, because "they beat you fair and square" and don't resort to McEnroe's "gamesmanship."

"He does it whenever he gets tight or in trouble," Fitzgerald said. "He uses it, every time, whether there's something wrong or not. He makes something up — the balls are not round or something. He'll use that or anything."

"It's pretty tough to respect a guy like that, I think."

Jon Bainbridge/Reuters

McEnroe complaining about courtside noise.

Graf Avenges Paris Loss; Evert Survives

The Associated Press

WIMBLEDON, England — Steffi Graff avenged her French Open defeat by beating Arantxa Sanchez in straight sets Tuesday, and Chris Evert came back from the brink to gain the women's semifinals at Wimbledon.

Advancing to the other semifinal match were Martina Navratilova,

WIMBLEDON TENNIS

who easily beat American Gretchen Magers, and Catarina Lindqvist of Sweden, who won the quarterfinal battle of unseeded players against Rosalyn Fairbank of Australia.

Graf, the defending champion, overcame a shaky run in the middle of the first set to beat 17-year-old Sanchez of Spain, 7-5, 6-1.

It was the first loss in 12 matches for Sanchez, who beat Graf for the French Open title in Paris last month to end the West German's run of five Grand Slam tournament victories.

"It was not revenge, but I wanted to play against her and play better," Graf said. "Maybe that's why I was not as patient as usual. I should have come in more, right from the beginning. When I did, I won almost every point."

Sanchez had become the youngest French Open champion with a strong baseline game and an infectious enthusiasm. At Wimbledon, the enthusiasm was there, and Sanchez had adapted her baseline game to the faster surface — until Tuesday.

In the early part of the match, another upset looked possible. Sanchez led 5-4 as Graf struggled with the timing on her normally penetrating forehand.

At the change-over, a buzz went around Center Court as Sanchez prepared to serve for the set. But Graf broke at love, with Sanchez double-faulting on game point.

That started Graf on a seven-game streak, during which she won 20 of 23 points to take a 4-0 lead in the second set. Her forehand pounded winners that Sanchez could no longer retrieve, leaving the Spaniard stretching and lunging at thin air.

Sanchez also made error after error, a marked change from her steady play on clay in Paris.

Sanchez ended Graf's run with a break for 4-1, but Graf broke back for 5-1 and served out the match.

"She played incredibly, and I couldn't do anything," Sanchez said. "She played much better here than at the French Open."

Evert trailed 5-2 and then was receiving serve at 5-3, 30-0 in the third set before a series of phenomenal passing shots carried her past an unheralded Italian, Laura Golarsa, 6-3, 2-6, 7-5.

The come-from-behind triumph kept intact Evert's streak of semifinal appearances here. She now has reached the semifinals in 17 of 18 Wimbledon appearances.

"In the middle of the third set I thought, 'This is not the way I would like to go out,'" Evert said. Evert, 34, a three-time Wimbledon champion, was an uncertain entry this year until just before the tournament began. Suffering disappointing losses early in the season, Evert said she lacked motivation to play competitive tennis.

But she entered and started to win, not dropping a set in her first four rounds. And whatever motivation may have been lacking as she sat out the Italian and French opens was in abundance on Court 1 Tuesday.

Golarsa, the first Italian woman to reach the quarterfinals since 1933, broke back for 2-2 in the second set and broke again for a 4-2 lead on Evert's second double fault. The 87th-ranked women's player then broke a third time for the set, and continued her run to take a 3-0 lead in the third set.

Golarsa was a point away from a 4-0 lead after Evert double-faulted again. But the fourth-seeded veteran held with a forehand crosscourt passing shot and a touch lob for 3-1.

They stayed on serve through 5-3. Golarsa appeared ready to serve out the match, advancing to 30-0 in the ninth game, but Evert came back with a running backhand passing shot down the line that just clipped the corner. She broke and Golarsa was stunned.

The 10th game went to deuce before Evert held as Golarsa hit a backhand lob long. The crowd roared its support.

In the 11th game, Evert went ahead to triple break point. Golarsa saved two, but Evert won for a 6-5 lead on a forehand crosscourt pass.

Evert then served out the match at love, winning on a put-away off a short return.

The crowd gave Evert a standing ovation, and she gave them a little wave of the hand and a smile.

Golarsa was asked later if she thought she had blown the match, or if Evert had won it.

"I think she won it," Golarsa said. "When I was 5-2 up, she played her best game. That's why she's Chris Evert."

Navratilova gained her 12th consecutive Wimbledon semifinal by beating the unseeded Magers, 6-1, 6-2. She had dropped only six games in two previous meetings with Magers.

The left-hander had problems with her serve early against Magers, a 25-year-old from San Diego, who had upset eighth-seeded Pam Shriver in the third round. But Magers never was able to take advantage.

The only person to take a set off Navratilova in the last 3½ weeks was Australian qualifier Kristine Radford in the second round. That was on an outside court, and Navratilova said she was helped by playing on Center Court, a venue she says fires her up.

"I knew what to expect," Navratilova said. "I had the edge there. Experience counts for something."

In the match between unseeded players, Lindqvist beat Fairchild, 7-5, 7-5, although she had trouble ending both sets. Lindqvist was leading in both, 5-4, and lost her serve, but immediately broke back.

"I was a little nervous," Lindqvist said. "I have to be more positive when I'm serving for the set."

This will be Lindqvist's second appearance in a Grand Slam semifinal. She reached the final four at the Australian Open in 1987.

Gill Allen/The Associated Press

Martina Navratilova stretches Tuesday in her quick handling of Gretchen Magers, 6-1, 6-2.

SIDELINES

Ohio State Hires

COLUMBUS, Ohio (AP) — Ohio State decided Monday to promote Randy Ayers, 33, an assistant basketball coach, to succeed Gary Williams as head coach. Williams resigned June 13 to become coach at Maryland.

Soccer Delay

ZURICH (UPI) — The World Cup qualifying soccer match between the United States and El Salvador, scheduled for Sunday, has been postponed indefinitely, FIFA, the sport's governing body, announced Tuesday.

The match was originally scheduled for El Salvador, but the venue was banned by FIFA after rioting fans disrupted the June 25 game with Costa Rica. "El Salvador suggested it should be shifted to Los Angeles, but both Guatemala and Costa Rica protested that the U.S. would gain an unfair advantage by playing El Salvador twice at home," a FIFA spokesman, Guido Tognoni, said.

For the Record

A court-ordered auction of the possessions of John Tate has resulted in the sale in Knoxville, Tennessee, of the former heavyweight champion's boxing shorts for $45, his robes for $200 and his boxing gloves for around $300. The auction Sunday included mementos of Tate's glory days in the Olympics and his victory over Gerrie Coetzee in 1979 for the vacant World Boxing Association championship. The auction was ordered to raise money for the expenses of the 34-year-old Tate, whose finances are being handled by a conservator because a judge has ruled Tate is unable to manage his money. *(AP)*

Aliysa was drugged at the time she won the English Oaks last month, the British Jockey Club announced Tuesday. The club has launched an investigation into how the substance, which it refused to name, was administered before the Aga Khan's filly beat Snow Bride by three lengths. Aliysa risks disqualification and losing prize money of more than £108,000 ($170,000) if the positive findings revealed in the routine post-race drug test are confirmed. *(AFP)*

The British Isles stormed from behind with 30 points in the second half to beat Australian Capital Territory, 41-25, in a warm-up match in Canberra on Tuesday before the Lions' second rugby test match against Australia, in Brisbane Saturday. *(AFP)*

The NCAA on Monday cleared Texas A&M's football program of allegations that former player George Smith received "hush" money, saying it could not distinguish fact from fiction. Smith had told The Dallas Morning News that Jackie Sherrill, the former A&M football coach and athletics director, paid him $4,400 for his silence about NCAA rules violations and that a university official later offered $30,000 to recant his charges. *(AP)*

Italy's Davis Cup captain, Adriano Panatta, on Tuesday summoned Omar Camporese, Massimiliano Narducci, Diego Nargiso and Claudio Pistolesi for the Davis Cup tennis match against Denmark scheduled for July 21-23. *(AP)*

Heavily favored Brazil was held to a scoreless tie with Peru, and Colombia beat Venezuela, 4-2, Monday in the America Cup tournament. As Brazil left the field, fans screamed "Death to Lazaroni," at the club's head coach, Sebastiao Lazaroni. Brazil moved into first place in Group A of the tournament, one point ahead of Colombia and Paraguay. *(AP)*

The Napoli soccer team on Tuesday announced the long-expected dismissal of Ottavio Bianchi, the manager who led the team to its first Italian national title. Napoli said Bianchi would be replaced by Alberto Bigon, a former A.C. Milan player who coached Cesena last season. *(AP)*

Quotable

● Sparky Anderson, manager of the Detroit Tigers, who are in last place in the American League East at 31-48: "We're just worn out. We don't have the people. There's no use kidding nobody. We don't have much margin for error, we've lost so many people." *(AP)*

Monzon Convicted of Wife's Murder

United Press International

BUENOS AIRES — A three-person tribunal has declared Carlos Monzon, the former world middleweight champion, guilty of murdering his wife and has sentenced him to 11 years in prison.

Monzon's attorneys said they would appeal the sentence to the supreme court of the province of Buenos Aires.

"This trial has just begun," said Patricia Perello, one of the lawyers, after the verdict Monday.

Monzon, who held his boxing title from 1970 to 1977, showed no emotion as the sentence was read. He had been held under arrest without bail since Feb. 14, 1988, when both he and his 32-year-old wife, Alicia Muniz, plunged off a second-floor balcony in Mar del Plata, a resort 250 miles (400 kilometers) south of Buenos Aires.

Muniz died of a concussion and Monzon, 47, suffered fractured ribs. The couple was separated at the time.

After the sentencing in Mar del Plata, a group of 150 angry Monzon fans attacked an attorney for the Muniz family, beating him with fists and throwing sticks and stones, according to Noticias Argentinas, a news agency.

Medical experts during hearings testified that Muniz had been beaten and strangled to the point of unconsciousness before she fell.

The prosecution, asking an 18-year sentence, charged that Monzon had thrown himself off the balcony to make it look like an accident.

The defense argued that the fall had been an accident and that Monzon had slipped while trying to save his wife.

Judge Jorge Issach, writing the tribunal's opinion, said that medical evidence showed clearly that Muniz had been unconscious when she had fallen from the balcony.

"Only he (Monzon) could have caused the injuries," Issach said.

"I believe Monzon is a simple and rude man," the judge wrote. "It is probable that his personality structure — an impulsive fighter — precipitated this tragedy."

Monzon, whose boxing career lasted from 1963 to 1977, was a hard-hitting fighter who compiled a record of 90-3-8, with 61 knockouts. He knocked out Italian Nino Benvenuti on Nov. 7, 1970, in Rome to win the world middleweight title. Monzon made 14 successful title defenses before retiring in 1977.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East	W	L	Pct.	GB
Baltimore	45	34	.570	—
New York	39	41	.488	6½
Boston	38	40	.487	6½
Milwaukee	39	43	.476	7½
Toronto	38	43	.469	8
Cleveland	37	43	.463	8½
Detroit	31	48	.392	14
West				
Oakland	50	32	.610	—
California	47	32	.595	1½
Kansas City	44	36	.550	5
Texas	44	36	.550	5
Minnesota	41	40	.506	8½
Seattle	37	43	.463	12
Chicago	32	51	.386	18½

NATIONAL LEAGUE

East	W	L	Pct.	GB
Montreal	46	36	.561	—
New York	42	36	.538	2
Chicago	42	38	.525	3
St. Louis	39	38	.506	4½
Pittsburgh	34	43	.442	9½
Philadelphia	29	49	.372	15
West				
San Francisco	48	33	.593	—
Houston	46	36	.561	2½
Cincinnati	42	39	.519	6
San Diego	40	42	.488	8½
Los Angeles	39	42	.481	9
Atlanta	33	48	.407	15

Monday's Line Scores

AMERICAN LEAGUE

Boston 200 000 000—2 8 0
Toronto 010 006 20x—3 6 0
Smithson, Murphy (7), Gardner (8) and Carbone; Cerutti, D.Ward (8) and Whitt, Borders (6). W—Cerutti, 6-4. L—Smithson, 4-7. Sv—D.Ward (6). HR—Toronto, McGriff (18).

Chicago 100 100 000—2 8 0
Cleveland 001 000 02x—4 7 1
Rosenberg, Hillegas (7), Thigpen (8) and Fisk; Black, D.Jones (9) and Allanson. Skinner (8). W—Black, 7-7. L—Hillegas, 4-8. Sv—D.Jones (19). HR—Chicago, Pasqua (7).

Milwaukee 100 005 101—8 16 0
New York 000 020 021—5 11 0
Higuera, Plesac (9) and Surhoff; Elland, Cadaret (6), Mahorcic (7) and Slaught. W—Higuera, 3-2. L—Elland, 1-2. Sv—Plesac (20). HRs—Milwaukee, Francona (3), New York, Mattingly (11).

Detroit 101 700 010— 4 8 0
Baltimore 212 221 00x—11 15 1
Alexander, Schwabe (3), Nunez (6), G.Hernandez (8) and Heath. Sinatro (8); Holton, M.Smith (4), Thurmond (8) and Tettleton. W—M.Smith, 1-0. L—Alexander, 4-8. HRs—Detroit, Schu (2). Baltimore, Tettleton (20).

Kansas City 000 000 000—0 4 1
Oakland 001 000 00x—1 6 0
Gubicza and Boone; Stewart, Burns (9), Honeycutt (9) and Steinbach. W—Stewart, 13-4. L—Gubicza, 8-6. Sv—Honeycutt (10).

Texas 001 000 010—2 6 0
California 002 000 02x—5 8 1
Jeffcoat, Guante (3), D.Hall (4), Rogers (7), Wells (8) and Sundberg; Abbott, Harvey (9) and Parrish. W—Abbott, 7-5. L—Jeffcoat, 4-2. Sv—Harvey (11).

NATIONAL LEAGUE

Pittsburgh 012 000 100—4 6 0
Los Angeles 001 000 100—2 5 1
J.Robinson, Landrum (8) and Bilardello; Morgan, Belcher (9) and Scioscia. W—J.Robinson, 5-6. L—Morgan, 5-8. Sv—Landrum (10). HRs—Pittsburgh, Bonilla (10). Los Angeles, Hamilton (8).

Cincinnati 000 000 001—1 3 0
Philadelphia 000 100 10x—2 5 1
Rijo, Charlton (6), Dibble (7) and Diaz; Howell, McDowell (9) and Daulton. W—Howell 7-5. L—Rijo, 7-6. Sv—McDowell (8).

Montreal 000 000 120—3 7 1
Montreal 000 000 000—0 2 2
Langston and Santovenia, Glavine, Acker (9) and J.Davis. W—Langston, 5-2. L—Glavine, 8-5. HR—Montreal, Galarraga (13).

New York 000 001 200—3 6 1
Boston 100 000 000—1 5 0
Cone, Myers (8) and Lombardi; Deshaies, Darwin (7), Andersen (9) and Biggio. W—Cone, 5-5. L—Deshaies, 8-4. Sv—Myers (12). HRs—New York, Teufel (11), Carreon (3).

TENNIS

Wimbledon

QUARTERFINALS

Women

Martina Navratilova (2), U.S., def. Gretchen Magers, U.S., 6-1, 6-2; Catarina Lindqvist, Sweden, def. Rosalyn Fairbank, South Africa, 7-5, 7-5; Steffi Graf (1), West Germany, def. Arantxa Sanchez (7), Spain, 7-5, 6-1; Chris Evert (4), U.S., def. Laura Golarsa, Italy, 6-3, 2-6, 7-5.

CYCLING

Tour de France

FOURTH STAGE

(Liege, Belgium to Wasquehal, France; 255 kilometers/158 miles)

1. Jelle Nijdam, Netherlands, Superconfex, 6 hours, 13 minutes, 58 seconds.
2. Jesper Skibby, Denmark, TVM, 3 seconds behind.
3. Johan Museeuw, Belgium, ADR, 3.
4. Jerome Simon, France, Z-Peugeot, same time.
5. Soren Lilholt, Denmark, Histor-Sigma, s.t.
6. Miguel Indurain, Spain, Reynolds, 5 seconds.
7. Josef Lieckens, Belgium, Hitachi, s.t.
8. Giovanni Fidanza, Italy, Chateau d'Ax, s.t.
9. Peter Pieters, Netherlands, TVM, s.t.
10. Sean Kelly, Ireland, PDM, s.t.

OVERALL STANDINGS

1. Acacio Da Silva, Portugal, Carrera, 17 hours, 16 minutes, 376 seconds
2. Soren Lilholt, 14 seconds behind
3. Thierry Marie, France, Super-U, 1:57.
4. Laurent Fignon, France, Super-U, 2:37.
5. Pascal Simon, France, Super-U, 2:48.
6. Raul Alcala, Mexico, PDM, 2:52.
7. Gerard Rue, France, Super-U, 3:00
8. Eric Breukink, Netherlands, Panasonic, 3:03.
9. Christophe Lavainne, France, Super U, 3:08.
10. Jesper Skibby, 3:18.

GOLF

World Rankings

(Based on average points per tournament. Points determined over past 3 years by event played, status of field and strength of field. Positions approved by Royal and Ancient Golf Club of St. Andrew's, Scotland):

	Points
1. Severiano Ballesteros (Spain)	19.54
2. Nick Faldo (Britain)	16.79
3 Greg Norman (Australia)	15.98
4. Curtis Strange (U.S.)	14.81
5. Ian Woosnam (Britain)	12.01
6. Tom Kite (U.S.)	11.88
7. Sandy Lyle (Britain)	11.30
8. Jose Maria Olazabal (Spain)	10.25
9. Chip Beck (U.S.)	10.24
10. Mark Calcavecchia (U.S.)	10.15

PGA Money Leaders

1. Tom Kite	$691,864
2. Steve Jones	$599,016
3. Mark Calcavecchia	$537,841
4. Curtis Strange	$528,387
5. Chip Beck	$520,256
6. Fred Couples	$499,546
7. Payne Stewart	$478,322
8. Scott Hoch	$469,839
9. Mark McCumber	$462,561
10. Mark O'Meara	$434,007
11. Paul Azinger	$417,499
12. Bill Glasson	$359,820
13. Tim Simpson	$356,671
14. Greg Norman	$338,630
15. Bob Tway	$329,240

SOCCER

AMERICA CUP

Brazil 0, Peru 0
Colombia 4, Venezuela 2

TRACK & FIELD

Mobil Grand Prix

Results Monday of the Mobil Grand Prix track and field meet in Stockholm (all distances in meters):

MEN

200 meters — 1, Robson Da Silva, Brazil, 20.30. 2, Colvin Smith, U.S., 20.37. 3, Dennis Mitchell, U.S., 20.47.

400 meters — 1, Steve Lewis, U.S., 44.83. 2, Tim Simon, U.S., 45.34. 3, Gabriel Tiacoh, Ivory Coast, 45.37.

800 meters — 1, Paul Ereng, Kenya, 1:44.09. 2, Tom McKean, Britain, 1:44.59. 3, Abdi Bile, Somalia, 1:44.68.

1,500 meters — 1, Said Aouita, Morocco, 3:34.60. 2, Kip Cheruiyot, Kenya, 3:35.01. 3, Gennaro Di Napoli, Italy, 3:37.28.

5,000 meters — 1, Charles Cheruiyot, Kenya, 7:42.25. 2, Jonny Danielsson, Sweden, 7:42.41. 3, Tim Hacker, U.S., 7:43.21.

3,000-meter steeplechase — 1, Peter Koech, Kenya, 8:05.35; world record (old record, 8:05.4, Henry Rono, Kenya, Seattle, May 13, 1978.). 2, Patrick Sang, Kenya, 8:06.02. 3, Graeme Fell, Canada, 8:15.95.

10,000 meters — 1, Arturo Barrios, Mexico, 27:18.45. 2, Domingos Castro, Portugal, 27:36.00. 3, Kiskamboi Kimeli, Kenya, 27:38.29.

110-meter hurdles — 1, Roger Kingdom, U.S., 13.42. 2, Jack Pierce, U.S., 13.62. 3, Courtney Hawking, U.S., 13.63.

400-meters hurdles — 1, Kevin Young, U.S., 48.34. 2, David Patrick, U.S., 48.98. 3, Winthrop Graham, Jamaica, 48.98.

Long Jump — 1, Carl Lewis, U.S., 28 feet (8.53m). 2, Larry Myricks, U.S., 27-6½ (8.39m). 3, Mike Conley, U.S., 26-4½ (8.04m).

High Jump — 1, Javier Sotomayor, Cuba, 7-9½ (2.37m). 2, Gennady Avdeenko, Soviet Union, 7-9½ (2.37m). 3, Patrik Sjoberg, Sweden, 7-8½ (2.34m).

Pole Vault — 1, Radion Gatoulin, Soviet Union, 19-4¼ (5.95m). 2, Sergei Bubka, Soviet Union, 19-4¼ (5.95m). 3, Vasily Bubka, Soviet Union, 19-0½ (5.80m).

Javelin — 1, Kazuhiro Mizoguchi, Japan, 273-2 (83.26m). 2, Steve Buckley, Britain, 266-5 (81.28m). 3, Jan Zelezny, Czechoslovakia, 266-4 (81.18m).

WOMEN

100 meters — 1, Merlene Ottey, Jamaica, 11.10. 2, Shiela Echols, U.S., 11.10. 3, Paula Dunn, Britain, 11.35.

800 meters — 1, Ana Quirot, Cuba, 1:59.98. 2, Nadezhda Olizarenka, Soviet Union, 2:00.72. 3, Yvonne Murray, Britain, 2:00.80.

5,000 meters — 1, Kathrin Ullrich, East Germany, 14:56.22. 2, Pattisue Plumer, U.S., 14:57.32. 3, Lynn Williams, Canada, 14:58.92.

400-meter hurdles — 1, Sandra Patrick-Farmer, U.S., 54.44. 2, Kathy Freeman, U.S., 54.22. 3, Monica Westen, Sweden, 56.60.

Long Jump — 1, Galina Chistyakova, Soviet Union, 23-1¾ (7.05m). 2, Heike Rodike, East Germany, 21-9 (6.63m). 3, Christina Sundberg, Sweden, 21-4 (6.50m).

Javelin — 1, Petra Felke, East Germany, 228-10 (69.74m). 2, Beate Koch, East Germany, 214-7 (65.42m). 3, Tiina Lillak, Finland, 192-10 (58.78m).

TRANSITION

BASEBALL

American League

NEW YORK—Recalled Don Schulze, pitcher, from Columbus, International League. Optioned Jimmy Jones, pitcher, to Columbus.

OAKLAND—Removed Billy Beane, outfielder, from 21-day disabled list and sent him outright to Tacoma, Pacific Coast League.

National League

PHILADELPHIA—Put John Kruk, outfielder, on 15-day disabled list. Called up Jim Adduci, outfielder-first baseman, from Scranton-Wilkes-Barre, International League.

FOOTBALL

Canadian Football League

HAMILTON—Released Burl Cummings, wide receiver; Leonard Jones, cornerback, and Bill Scollard, slotback.

COLLEGE

OHIO UNIVERSITY—Sold that John Beaford, center, has left basketball team.

PRINCETON—Promoted Amy Campbell to assistant director of athletics.

HOCKEY

National Hockey League

PHILADELPHIA—Signed Bruce Hoffort, goaltender.

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Central/Latin America	$	— —	540		295

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5-7-89

OBSERVER

Waving the Dollar

By Russell Baker

NEW YORK — What about the amber waves of grain, President Bush?

And you, Congress, who sat up all night declaring your love for the flag, is there not one of you to fight for the amber waves of grain?

You're all pretty good down there in Washington at letting off steam when the flag is insulted, but you're not much when the amber waves of grain are threatened.

There are other symbols just as precious to America as the flag, and amber waves of grain are one of them, along with the bald eagle, spacious skies, purple mountain majesties, shining seas, the fruited plain and plenty more. For instance, Independence Hall in Philadelphia, the Constitution of the United States at the National Archives, the Washington Monument, Valley Forge, the Omaha Beach cemetery in Normandy and plenty more.

□

In many of the passionate declarations of love for the flag last week, its champions made the point that Americans offered their lives in war for it, and surely some did. The flag has no monopoly, however, on the symbols for which Americans submit their lives to the nation's disposal in wartime.

I remember a World War II movie in which the hero, telling one of Hitler's main men why Americans could never be defeated, reeled off a long list of the things Americans were fighting for.

After the red, white and blue, the Statue of Liberty and the other celebrated symbols, his list concluded with the Brooklyn Dodgers and the two-pants suit.

Where was George Bush, where was Congress when the baseball industry let the Brooklyn Dodgers be destroyed so their owners could make a financial killing? Not a peep was heard from George Bush, not a murmur from the entire Congress when the two-pants suit was allowed to disappear from the American haberdashery.

□

Experts on patriotism may scoff at the idea that the Brooklyn Dodgers and the two-pants suit were symbols worth dying for, and I admit that even as a silly young man I thought the hero's list a bit strained when it went beyond the patriotic symbol of baseball and pulled in the two-pants suit.

I was wrong. The two-pants suit — does anybody here even remember it? — was an excellent symbol of the marvelous bargains American consumers enjoyed because of their competitive capitalistic system.

In short, one man's symbol is another man's disposable baseball team, and presidents and congresses never threaten to amend the Constitution when the profit motive argues for getting rid of a beloved symbol.

In a land where nothing seems more important than money, the flag's singular exemption from destruction-by-profit-motive may invest it with a sacred character.

□

Amber waves of grain do not enjoy this immunity. There is good money to be made from laying asphalt where the amber waves once flowed, good money to be made from covering that asphalt with shops, condos, autos.

It would be emotionally wrong to become too devoted to those amber waves of grain, or to the fruited plain, or even to the purple mountain majesties.

Even mountains can be leveled now with the wonderful new earth-moving machinery available to developers, and it is far more profitable to build on a leveled than on an unleveled mountain.

In a land where nothing, absolutely nothing, is more important than money, presidents and congresses naturally love to clack away piously about the flag, for the flag seems to disprove the case that money rules all.

□

Politicians frothing about their love of flag divert public attention from their indifference to the money-driven destruction of the symbolic country we learned to sing about even before we were old enough to embrace it with love.

The fate of the once shining sea was to be darkened with garbage and poisons. The spacious skies were doomed to darken with gases and rain acids upon us. The land where amber waves once flowed is turning black with asphalt. The purple mountain majesties are scraped for fast profits to redeem junk bonds.

Now that the flag guff is in the mail, you guys, how about saving us our country?

New York Times Service

Wajda, Director With Double Vision

By Annette Insdorf

KRAKÓW, Poland — There are some compelling reasons why the Polish director Andrzej Wajda cannot accompany his two latest theatrical productions — "The Dybbuk" and "Hamlet IV" — to their American premieres next weekend at the Pepsico Summerfare International Performing Arts Festival at SUNY-Purchase in New York.

It's not simply that he is president of the jury at the Moscow Film Festival, which begins Friday, or that he has just been elected a senator in Solidarity's landslide at the national polls. He is also in the midst of directing a documentary film about the Katyn massacre during World War II; as he explained during a recent interview, "my father was one of the Polish officers who disappeared."

At 62, Wajda remains a vital and omnipresent force in Polish cultural life. His staging of "The Dybbuk" (which opens in Purchase on Saturday) is drawing crowds at Kraków's Stary theater — where he has also been rehearsing his audacious "Hamlet IV" (which follows on Sunday). He is the director of Warsaw's Contemporary Theater. An exhibit chronicling his prodigious output is on display in the city of Radom. The Kraków international short film festival included a special screening of a documentary about his work last month. Moreover, his autobiography, "Double Vision," has just been published in English by Henry Holt & Company.

"I've been working with the Stary theater for 20 years, and think it's one of the greatest groups in Poland today," Wajda said in Polish. "Actors make little money here, so they have to work simultaneously in film, television, theater and cabaret — often in the same day, especially in Warsaw. In Kraków, they seem to have more time to give themselves to the theater."

The Stary theater — whose production of "Crime and Punishment," also directed by Wajda, was presented at the Pepsico Summerfare three years ago — is the oldest theater troupe in Poland. Founded in 1781, it provides an appropriate forum for the director's setting of "The Dybbuk": A 19th-century Jewish ghetto in Kraków is the backdrop for this drama of a young woman possessed by the ghost of a dead Yeshiva scholar who loved her.

Witold Jaroslav Szulecki/Woodfin Camp

Wajda on actor's dressing room set of "Hamlet IV" in Kraków.

"My 'Dybbuk,'" Wajda said proudly, "marks the first time since World War II that this play has been performed in Polish. I personally commissioned the poetic translation from Ernest Bryll. It opened in Kraków in March 1988, and was then performed by the Habima theater in Israel."

The Habima troupe will present Wajda's version of "The Dybbuk" in Moscow next year. "It hasn't been seen in Russia since 1926," he explained. The play was originally written in Russian in 1914 by Szymon Anski (pen name, Salomon Rapaport), but Stanislavsky persuaded him to rewrite it in Yiddish. Its first production — in Yiddish — took place in Warsaw in 1920.

Coincidentally, the film version of "The Dybbuk" has just been restored by the National Center for Jewish Film, and is scheduled to open in New York on Sept. 15. Produced in Poland in 1937, the Yiddish screen adaptation survived the Holocaust.

In Wajda's reconstruction of this vanished world, a thin veil separates the audience from the actors. As the play opens, the Stary theater stage assumes an almost cinematic depth, reminiscent of Wajda's films, from "Ashes and Diamonds" to "Danton." A cemetery appears in the background, embodying in spatial terms the presence of the past; in the course of the play, it will come to represent the inescapable grip of what one has left behind.

When asked about the veil, Wajda pointed to his wife — the set and costume designer Krystyna Zachwatowicz — and acknowledged, "it was her idea. We wanted to create a sense of distance — like in a black-and-white film — as if things were coming to us through a fog. She understands directing too, and has worked with great actors from around the world."

To the suggestion that their stage settings — from "The Possessed" at the Yale Repertory Theater in the mid-1970s to "The Dybbuk" today — feel like cinematic landscapes, he shook his head. "No, I don't try to mix theater and film. They're separate forms," he insisted, despite the fact that many of his movies (such as "Danton" and "The Possessed") contain highly theatrical or stylized images.

"When I walk into a theater, I try to forget I ever made films — and vice versa," he said. "Film is an imitation of life, whereas theater is artistic transposition. If you want something to appear natural in a film, it will — but not in the theater, which demands a completely different approach."

He offers a fine example in "Double Vision," recalling one of his stage productions of "The Possessed": "During the dress rehearsal . . . one of the actors, as he was delivering his lines, grabbed the back of a chair in a way that struck me as unreal and, in a movement that struck me as equally artificial, collapsed onto the stage. Watching all that from my seat in the theater, I realized that something serious was going on and raced up onstage to help him.

"The man was having a heart attack. Why did I initially think the man's movements 'artificial'? Very simply because they were natural, and therefore not theatrical. That was not the way actors perform onstage, where reality has to be heightened and transposed. If this same event had occurred during the shooting of a film, I'm convinced I would have concluded that the actor had just figured out a fine new way of collapsing, that he was improvising, and I would doubtless not have rushed to his side.

"Through such experiences as these, the theater has taught me to tell the difference between what is natural and what is true. Theater is the art of form."

For his purely theatrical adaptation of "Hamlet," Wajda acknowledged that the setting is quite stark: "It takes place in Hamlet's dressing room. The audience watches Hamlet as an actor preparing to go onstage. It's a shortened version — two hours, 10 minutes — that takes place not in the palace of Elsinore, but on the stage where 'Hamlet' is performed."

Wajda had been planning this version for a few years, "searching for the right gifted actor," in his words. "And I thought Teresa Budzisz-Krzyzanowska would be the best." Why a female Hamlet? "Since it's *about* an actor, I felt the gender didn't matter," he replied.

This is the fourth time Wajda has directed "Hamlet" — thus the altered title. "It was my second play 30 years ago; then I did an open-air version in Kraków next to the royal castle, and a third with the Stary theater," he said.

"I always felt that 'Hamlet' is not just a great play, but the masterpiece most often performed by actors. And in 1981, a famous Moscow theater group came to Warsaw, with Vladimir Vissotsky as Hamlet. It was this great actor's final performance. I loved how he fought for his life — trying to simply last till the end of the show.

"Suddenly the theme of the play became clear to me," Wajda said. "It's not just Hamlet dying, but the actor putting his soul into the character — attempting to maintain stamina until the last breath — and dying every night."

Annette Insdorf, chairman of the doctoral program in theater and film at Columbia University, wrote this for The New York Times.

PEOPLE

Man Sues Filmmaker Who Helped Free Him

Randall Dale Adams is suing the producer of the "Thin Blue Line," the movie that helped win his release from prison after 12 years and exoneration from a murder conviction. The producer, **Errol Morris**, said he was "hurt and upset" by the suit, in which Adams is seeking to gain film rights to his life story. In Houston, **District Judge Felix Salazar** postponed a hearing on the suit because the defendants filed a motion to move the proceedings to federal court. The suit contends that Morris lost his rights to Adams's life story in December 1988, by failing to exercise a two-year option purchased from Adams for $10 in December 1986. An appeals court overturned Adams's conviction after he served 12 years in the shooting death of a Dallas policeman, **Robert Wood**.

□

Ilona Staller, an X-rated star before being elected to the Italian Parliament, is on trial on pornography charges in Rome. Parliament lifted Staller's immunity so that she could be tried. When a judge asked her why she posed for "daring" photographs, she said "I have always held that sex is beautiful, and that to show it on glossy paper is even more beautiful. For me it has been a unique experience to do all I have done." The charges against Staller, who also goes by the stage name Cicciolina, came after a police raid on a company that listed her as manager.

□

The prize association of the annual Festival of the Two Worlds in Spoleto, Italy, awarded a 10-million-lire ($7,000) prize to Britain's **Prince Charles** for the "love and respect" he has shown for the art and natural beauty of Umbria, in central Italy. **Ambassador Sir Derek Thomas**, accepting the award on behalf of the heir to the British throne, said Charles would use the prize money to establish a fund for an annual prize for a promising young Italian musician.

□

Lech Walesa's wife and a son represented him at a formal dinner preceding the award of the first Philadelphia Liberty Medal to the Polish Solidarity leader. **Danuta Walesa** and one of her sons, **Yaroslaw**, 15, were there to represent Walesa at the city's Fourth of July ceremony. The award includes the medal and a $100,000 prize.

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Appears on PAGE 12

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